

FOR OFFICIAL USE ONLY

MANPOWER PUBLICATION NO. 9



**EVALUATION STUDY ON .  
MARGIN MONEY SCHEME UNDER THE  
ADDITIONAL EMPLOYMENT PROGRAMME**

( Part A )



सत्यमेव जयते

**DIRECTORATE OF EVALUATION, MONITORING & MANPOWER  
DEVELOPMENT AND PLANNING DEPARTMENT  
GOVERNMENT OF WEST BENGAL**



**EVALUATION STUDY ON  
MARGIN MONEY SCHEME UNDER THE  
ADDITIONAL EMPLOYMENT PROGRAMME**

**( Part A )**



**सत्यमेव जयते**

**DIRECTORATE OF EVALUATION, MONITORING & MANPOWER  
DEVELOPMENT AND PLANNING DEPARTMENT  
GOVERNMENT OF WEST BENGAL**



# **C O N T E N T S**

## **Page**

### **GROUP—A**

<b>Chapter</b>	<b>1</b>	<b>Introduction</b>	<b>1</b>
<b>Chapter</b>	<b>2</b>	<b>Background of Entrepreneurs</b>	<b>7</b>
<b>Chapter</b>	<b>3</b>	<b>About the Units</b>	<b>12</b>
<b>Chapter</b>	<b>4</b>	<b>Employment</b>	<b>15</b>
<b>Chapter</b>	<b>5</b>	<b>Profitability</b>	<b>19</b>
<b>Chapter</b>	<b>6</b>	<b>Status of Loan Repayment</b>	<b>22</b>
<b>Chapter</b>	<b>7</b>	<b>Summary of Findings</b>	<b>27</b>
<b>Appendix</b>		<b>Further Reflections on Status of Margin Money Repayment with Reference to some old cases.</b>	<b>59</b>

### **GROUP—B**

<b>An assessment of the Margin Money Scheme under the Additional Employment Programme.</b>	<b>1 to 9</b>
--	---------------



## **LIST OF TABLES**

<u>Table No.</u>	<u>Title</u>
1.	Distribution of Sampled Entrepreneurs By Age Group
2.	Distribution of Sampled Entrepreneurs By Community.
3.	Distribution of Sampled Entrepreneurs By Family Income Group.
4.	Total Members, Earning Members and Members Seeking Employment In The Families of Sampled Entrepreneurs.
5.	Distribution of Sampled Entrepreneurs By Level of Education.
6.	Distribution of Sample Entrepreneurs By Nature of Training Received By Them.
7.	Distribution of Sampled Entrepreneurs According To Status of Employment Prior to Joining the Scheme.
8.	Classification of Previously Employed Entrepreneurs According to Nature and Duration of Employment.
9.	Classification of Entrepreneurs According to Source of Knowledge About The Scheme.
10.	Classification of Entrepreneurs According to Reasons for Taking up the Scheme.
11.	Distribution of Sampled Enterprises By Sector & Districts.
12.	Distribution of Entrepreneurs By Year of Start.
13.	Classification of Enterprises By Level of Investment.
14.	Distribution of Sampled Enterprises By Location and Mode of Ownership.
15.	Classification of Sampled Enterprises According to Profitability as Measured By Percentage of Profit to Gross Investment.
16.	Classification of Sampled Enterprises According to Profitability as Measured By Percentage of Profit to Total Sales of Product.
17.	Employment in Sampled Enterprises By Tenure
18.	Employment in Sampled Enterprises By Tenure
19.	Employment in Sampled Enterprises By Educational Qualification.
20.	Technical and Non-Technical Employment in Sampled Enterprises By Districts and Sectors.
21.	Status of Bank Loan Repayment.
22.	Status of Margin Money Repayment
23.	Yearwise Distribution of Sampled Entrepreneurs By Status of Loan Repayment and Percentage of Profit Earned on Investment.
24.	Classification of Entrepreneurs according to nature of help they received from different sources at Different stages of the Project.
25.	Distribution of Closed Unit By Districts and Sectors.
26.	Amount of Capital Locked-Up. Bank Loan and Margin Money Non-Repaid in Units.
27.	Distribution of Sick Units By Districts and Sectors.
28.	Analysis of Loan Repayment By Year.
29.	Analysis of Loan Repayment By Bank.





# Chapter—1

## Introduction

1.0 One of the pressing problems confronting the State of West Bengal like other States in the country is the problem of unemployment. The employment exchange data despite several limitations arising out of registration of the employed, nonregistration of unemployed and multiple registration give a fair idea of the dimension of the problem and its rising trend over years and as such have been reproduced below :

Employment Exchange Statistics in West Bengal (No. in '000)

	1979	1980	1981	1982	Jan.—June 1983
Registration	578.8	638.6	626.1	575.6	264.5
Placed in employment	15.6	13.8	12.4	14.1	6.1
On the register at the end of the period	2108.5	2580.2	3064.6	3497.2	3685.1
Vacancies notified.	44.6	37.4	32.1	14.9	16.2

Source : Economic Review 1983—84.

1.1 Besides the enormous dimension of the problem, one of its special characteristics in this State has always been the presence of a large number of educated unemployed, i.e. those with qualifications S.F. and above in the total registered job-seekers. The following table presents the number of educated job-seekers in West Bengal for the three year period from 1981 to 1983.

Number of Educated Job-seekers on Live Register of Employment Exchanges  
in West Bengal (No. in '000)

	1981	1982	1983
1. Passed S.F.	655.6	672.5	825.2
2. Under Graduate	619.5	601.5	667.3
3. Graduate & above			
a) Engineering	1.7	1.8	0.1
b) Medicine	0.7	1.0	0.3
c) Others	251.6	269.8	265.1
Total	1519.1	1546.6	1758.6
	(49.57)	(44.22)	(47.72)

N.B. Figures in bracket indicate percentage to total.

Source : Economic Review 1983-84.

The educated component of job-seekers therefore is fairly large and has been steadily rising over time in absolute number retaining althrough about 50 p.c. of its share to total.

1.2 Against this background, opportunities for employment have not been significantly increasing over years as would be evident from the following table.

Sectorwise Distribution of Estimated  
Employment in West Bengal  
Employment (in lakhs)

Year	Public Sector	Private Sector	Total
1979	14.64	11.02	25.66
1980	15.21	10.84	26.05
1981	15.29	10.57	25.86
1982	15.76	10.43	26.19

Source : Economic Review 1983-84

1.3 To reduce the hardship of victims of this social and economic malaise, the Government initiated a number of employment generating schemes on a significant scale, besides, granting unemployment assistance which covered 4.27 lakhs people in 1981-82 and 1982-83. The Margin Money Scheme under the Additional Employment Programme is one among them. The main objective of the programme is to promote self-employment generating employment schemes in the field of industries, commerce and services. Under this programme margin money assistance is given to the extent of 10 p.c. of total project cost (20 p.c. for the category of Scheduled castes, Scheduled Tribes & Physically handicapped) to entrepreneurs who are willing to set up viable small scale units in the manufacturing, trade & transport sector. The rest of the finance is provided by the bank. Though usually financial assistance is given for setting up of new units, there are also provisions under the programme for extending such assistance to scheme for expansion of existing units. Unemployed persons from families having no source of income get priority over others in matters of selection. Similar priority is given to members of the Scheduled Castes, Scheduled Tribes, other backward classes, war widows and ex-service-men. Person already in employment are also eligible for margin money assistance under the programme provided their projects ensure additional employment of one person for every Rs. 2500 for margin money assistance. The idea thus is to draw upon the expertise of already employed to create opportunities for employment in their newly set up units. Incidentally it may be mentioned that this yardstick of employment is the general yardstick followed for the programme as a whole.

1.4 The Development & planning Department of the State Government is the nodal department in respect of the programme and the following departments/corporations have been acting as the implementing agencies.

- i) Cottage and Small Scale Industries Department for assisting setting up of new units in the Small Scale Sectors and establishment of ancillary units and expansion of existing units.
- ii) Home (Transport) Department for assisting setting up of units in the Transport Sector.
- iii) Youth Services Department for assisting setting up of small industrial and trading units.
- iv) West Bengal Agro-Industries Corporation Ltd. for assisting setting up of Agro Service Centre.
- v) West Bengal Electronic Industries Development Corporation for assisting setting up of electronics and allied units.
- vi) Animal Husbandry and Veterinary Services Deptt for assisting expansion of poultry units financed under Special Animal Husbandry Programme.

Among the abovementioned agencies, the major implementing agencies are, however, the C. & S. I. Department, the Home (Tr.) Department and the Youth Services Department. As the nodal department in respect of the programme, the Development & Planning Department prepares the Annual Budget in relation to the demand and allocates funds to the Implementing Departments as mentioned above depending upon their plans and programmes and requirement of funds. The programme is implemented in accordance with the guidelines framed by the Development and Planning Department. Besides, there is a Higher-powered State Level Margin Money Committee constituted by the Development & Planning Department with Development Secretary as Chairman and the representatives of Implementing Departments and Nationalised Banks Financial Institutions as members for effective supervision and monitoring of the programme.

1.5 In selecting entrepreneurs of the schemes, the banks play a pivotal role. The system of selection generally starts with public notices in the press or otherwise inviting applications for margin money from genuine unemployed persons. The applications are processed and examined in the light of professed guidelines and the prospective entrepreneurs are interviewed there after for further screening in the background of their eligibility in order to effect a match between availability and requirement of funds. After final selection prospective entrepreneurs are advised to secure an assent letter from the banks providing the term loan to the tune of 70% to 80% and simultaneously the official process to provide suitable margin money as per entrepreneurs' draft scheme is carried on. The banks to which entrepreneurs seek term loan assistance may or may not accept their draft schemes. The sponsored banks on the other hand may advise entrepreneurs to accept one of their worked out schemes and there by agree to finance their share of the project cost.

1.6 The programme has been continuing in the State since 1973 and substantial investment in the industry, trade and transport sectors of the economy took place under the programme. An attempt has been made to highlight its physical and financial achievements during the period from 1980-81 to 1982-83 through the following tables.

## Margin Money Sanctioned

Sector	1980-81	1981-82	1982-83
Manufacturing	5081669	3993119	1787344
Transport	2613453	3995467	3599196
Trade	1084000	990562	600000
Total	8779122	8979148	5986540

## No. of Units &amp; Employment therein

Manufacturing	631 (4703)	396 (2995)	315 (2440)
Transport	174 (1066)	241 (1321)	178 (1206)
Trade	---	350 ( 974)	172 ( 447)
Total	805 (5769)	987 (5290)	665 (4093)

( Figures in brackets indicate employment in units set up )

It appears from the tables above that though consolidated bank loan figures are not readily available, it must be considerable as margin money consists of a small percentage of the total project cost. Investment under the programme therefore has been massive and a good number of units have come up in the three sectors of development. In this connection it may be mentioned that the E.M. & M. Branch under the Development and Planning Department evaluated performance of the programme in 1978 and the time is ripe enough to warrant another evaluation. The Planning Commission accordingly requested the AEP Cell under the Development & Planning Department to furnish an evaluation report on the Margin Money Scheme under the Additional Employment Programme. The AEP entrusted the E.M. & M. Branch. This precisely explains the genesis of the present study.

1.7 The following objectives were identified for the study :

- i) A qualitative and quantitative assessment of the programme in terms of quantum of margin money and bank loan released by sectors and by districts, in terms of scheme selection, selection of beneficiaries and its impact upon the smaller vis-a-vis bigger units.
- ii) An appraisal of the current status of bank loan and margin money repayment.
- iii) An evaluation of the extent to which the scheme has succeeded in creating opportunities for employment amongst the unemployed.
- iv) A study of the economic viability of units established under the programme.
- v) Identification of bottlenecks of implementation and suggested measures for overcoming them.

It was decided to restrict the reference period of the study to a 3 year period from 1980-81 to 1982-83. In view of constraints of resources, it was not possible to spread the net work of the study overall the districts of the State. Selection of districts therefore became unavoidable. In selecting districts they were first of all ranked in terms of two performance indicators viz.

i) the quantum of margin money disbursed & ii) the number of units set up during the period. This ranking formed the basis of stratification of districts into three categories viz. i) very satisfactory, ii) satisfactory and iii) unsatisfactory. From the very satisfactory group, Calcutta was selected as it occupied the highest position, both in respect of margin money disbursement and unit establishment (Calcutta included 24 Parganas in the sphere of transport sector schemes). Next came Cooch Behar whose rationale for selection rested on the fact that it displayed an unsatisfactory level of performance in so far as the receipt of margin money was concerned against rather an impressive physical performance in terms of number of units set up. The third and last district chosen was Birbhum because of its low status in terms of both the parameters. In a nutshell three districts viz. Calcutta, Birbhum and Cooch Behar were selected for the purpose of the study.

Now in each of the three select districts, all the units belonging to the i) transport, ii) trade and iii) manufacturing sectors established during the reference period and received margin money assistance through three concerned implementing departments, viz. Home (Transport), Youth Services and Cottage & Small Scale Industries constituted the sampling frame for the study. This was followed by a random selection of 20 p.c. of units from the 3 district 3 sector matrix. The total sample size came to 171. The distribution of samples among 9 cells assumed the following patterns.

Distribution of Sample Entrepreneurs or Units

	Calcutta	Birbhum	Cooch Behar	Total
Manufacturing	16	21	16	53
Trade	2	7	11	20
Transport	83	6	9	98
Total	101	34	36	171

But certain units were found to have not started at the time of enquiry. Some units could not be traced out due to incorrect address and also there were non-response cases. Due to those various reasons the filled in schedules could be eventually obtained from 146 units. The distribution of these 146 sample units was as follows :

Distribution of Responding Sample Entrepreneurs or Units

	Calcutta	Birbhum	Cooch Behar	Total
Manufacturing	12	16	15	43
Trade	2	7	9	13
Transport	70	6	9	85
Total	84	29	33	146

In addition to sample entrepreneurs branches of nationalised banks which advanced loans to sample entrepreneurs, were also contacted. The number of such branches which

was originally fixed at 119 come down to 85 due to non-receipt of filled in schedules within time despite follow up actions. The following table will highlight the receipt position :

#### SCHEDULES

Districts	Originally to be received	Actually received
Calcutta	88	63
Birbhum	14	14
Cooch Behar	17	8
Total	119	85

In fact 5 schedules were prepared for obtaining through them varied information on the functioning of the scheme from five different levels. Firstly there was enterprise level schedule (Schedule I) for the purpose of recording information relating to sampling units. Secondly all the branches of nationalised banks which advanced loans to sample entrepreneurs under the scheme was approached through a bank level schedule (Schedule II) Thirdly there was a project level schedule for the district-level officers of the three select districts who sponsored schemes to the banks for the release of loans. In addition, authorised representatives of nationalised banks in their head offices (Schedule IV) and authorised representatives of implementing departments were also approached through structured questionnaires (Schedule V) for expressing their views on various aspects of working of the programme. The figures, views and suggestions formed the basic input for the study.

# Chapter—2

## Background of Entrepreneurs

2.1 The present chapter seeks to delineate the socio-economic and demographic characteristics of 146 entrepreneurs whose units were visited, their education and training profiles, their pre-scheme employment status and various other related aspects. The purpose is here to get the readers acquainted with those sample entrepreneurs who set up small units in the transport, manufacturing and trade sectors under Margin Money Scheme.

2.2 Table below gives the age distribution of 146 sample entrepreneurs :

Abstract of Table 1  
Distribution of Sample Entrepreneurs by Broad Age Group

Age Group below 20 yrs	No. of Entre- preneurs	Cumulative Total	P. C. to Total	Cumulative Total
20 — 24	22	22	15.07	15.07
25 — 29	48	70	32.88	47.95
30 — 34	44	114	30.14	78.09
35 — 39	16	130	10.96	89.05
40 — 44	7	137	4.79	93.84
45 & above	9	146	6.16	100.00
Age not stated		146		100.00
Total	146	—	100.00	

The table reveals a very high concentration of entrepreneurs in two age groups, viz. 25-29 years and 30-34 years as 63 p.c. of them appeared to have clustered in these two groups.

Instances of entrepreneurs belonging to age group 40 years and above however were also not rare. But leaving aside these 14 p.c. cases, it may be concluded that sampled entrepreneurs represented the younger stock of the community.

2.3 Distribution of sampled entrepreneurs by community has been presented in the following table :

Abstract of Table 2  
Distribution of Sampled Entrepreneurs by Community

Community	No. of entrepreneurs	P. C. to Total
Scheduled Caste	19	13.01
Scheduled Tribes	2	1.38
Others	125	86.71
Not stated	—	—
Total	146	100.00

Though the representation of 'Other Communities' in the total sample was overwhelming, a little more than 14 p.c. of entrepreneurs belonging to Scheduled Castes and Scheduled Tribes Community participated in the Scheme. Incidentally it may be mentioned that according to Census 1981, 27.62 p.c. of the population in West Bengal were Scheduled Castes and Scheduled Tribes. Percentage representation of Scheduled Castes and Scheduled Tribes people in the sample, therefore, was lower than their percentage representation in the aggregate population.

2.4 Distribution of sample entrepreneurs by the annual income of their family may be seen from table 3 :

Abstract of Table 3

Distribution of Sample Entrepreneurs by Income of their Family				
Annual Family Income	No. of Entrepreneurs	P. C. to Total	Cumulative Total	Cumulative percentage
Upto 1200	—	—	—	—
1201 — 2500	3	2.05	3	2.05
2501 — 5000	3	2.05	8	4.10
5001 — 7500	14	9.59	20	13.69
7501 — 10000	17	11.64	37	25.33
10001 & above	105	71.92	142	97.25
Income not stated	4	2.75	146	100.00
Total	146	100.00		

The table highlights the economic condition of families prior to joining the Scheme. One of the yardsticks for measuring this economic condition is their annual family income. 72 p.c. of 146 entrepreneurs reportedly had more than Rs. 10,000/- as their family income and 4 p.c. appeared to have belonged to the category of Rs. 5000/- and below. But family income alone does not reflect the real economic condition. Other economic correlates gathered in this connection have been reproduced below to enable the reader to gain a better insight into the area.

Abstract of Table 4

Total Member, Earning Member & Members Seeking Employment in the Family of Sampled Entrepreneurs.

1. Total no. of sample entrepreneurs	...	146
2. Total no. of members in their family	...	987
3. Average family size	...	6.7
4. Total no. of earning members	...	285
5. Average no. of earning member per family	...	2
6. No. seeking employment	...	114
7. Unemployment per family	...	0.8



The economic condition of sample entrepreneurs as a whole was not very depressing. For every ten families there were eight unemployed. For every family there were two earners. As average family size was 7, per capita income does not yield an encouraging magnitude. On the whole the sample mix represented urban middle class families where there were some earners, unemployed members and insufficient family income in relation to the size of the family.

2.5 Sample entrepreneurs were mostly educated as would be evident from the following table :

Abstract of Table 5  
Classification of Sample Entrepreneurs by Level of Education.

Educational level	No. of Entrepreneurs	P.C. to Total
Below S.F.	23	15.75
SF/HS or equivalent	67	45.89
Graduate	52	35.62
Post-Graduate	2	1.37
Diploma in Engineering	2	1.37
Others	—	—
Qualification not stated	—	—
Total	146	100.00

Though the margin money scheme is not strictly a scheme for educated unemployed, the p.c. representation of this category of manpower in the total sample was much higher (84.25) than their p.c. representation in the register of Employment Exchange (47.72 in 1983). Among them again participation by Graduates on a significant scale was another notable feature revealed in course of study. In a nut shell, the educated component of the sampled stock was fairly large.

2.6 Sampled entrepreneurs were not only educated but also a little more than the half of them received some training prior to joining the scheme. These training may be broadly categorised in two groups viz. (i) training in motor driving in order to obtain a driving license and (ii) training in industrial trades for taking up careers in industry.

Abstract of Table 6

Training Profile of Sample Entrepreneurs		
Nature of Training	No.	P.C. to Total
Motor Driving	50	34.25
Type Writing	3	2.05
Entrepreneurship Development	1	0.69
Others comprising a variety for industrial career	23	15.75
No response	2	1.37
Untrained	67	45.89
Total	146	100.00

No. said to have utilised their training in the venture under M.M. Scheme 70.

It is interesting to find 90 p.c. of the trained entrepreneurs stated to have utilised their training in the present venture.

2.7 Table 7 delineates the status of deployment of sample entrepreneurs prior to joining the present scheme. This has been set out below :

Abstract of Table 7  
Pre-Scheme Deployment Status

Status	No. of Entrepreneurs	P.C. to Total
1. Unemployed	85	58.22
a) Registered	52	35.62
b) Unregistered	33	22.60
2. Employed	39	26.72
3. Student	5	3.42
4. Trainee	4	2.74
5. Others	—	—
6. Not stated	13	8.90
Total	146	100.00

The table shows that a fairly good percentage of entrepreneurs were employed before joining the scheme though the unemployed were dominant. Participation of other categories were reportedly nominal. In this connection, it may be mentioned that the presence of previously employed in the aggregate sample was not against the spirit of the programme. These people were either in wage employment or self employed. The pattern of disaggregation between these two categories was as follows :

Abstract of Table 8  
Nature of Employment of previously employed Entrepreneurs

Category	Full time	Part time	Total
Wage Employment	13	1	14
Self Employment	20	2	22
Not stated	—	—	3

The table shows that more than 60 p.c. of the previously employed entrepreneurs were in self-employment. They may therefore be presumed to have requisite expertise and experience in starting self-employment ventures under the scheme.

2.8 From varied sources entrepreneurs came to know first about the scheme. These were Banks, Friends, Relatives, Govt. Offices and official gazette, Radio, T.V. Newspapers and others. Of them Govt. Offices appeared to have played a major role in disseminating information about the scheme. Next to them were Newspapers and entrepreneurs' friends and relatives who were already familiar with the scheme. The role of audio & visual publicity media like Radio and T.V. was negligible. The tabular presentation of entrepreneurs classified by these sources of knowledge has been attempted below.

Table 9  
Classification of Entrepreneurs according to knowledge about the scheme

Source of knowledge	No. of sample Entrepreneurs	P.C. to Total
Bank	14	9.59
Friend	28	19.18
Relative	5	3.42
Newspaper	36	24.66
Radio	1	0.68
T.V.	—	—
Govt. Offices and Gazette	47	32.19
Others	7	4.79
Not stated	8	5.48
Total	146	100.00

2.9 When entrepreneurs were requested to spell the reasons for taking up the present venture, one-third of them replied that they wanted to have an escape from their current status of unemployment. 21 p.c. of them stated to have the requisite skill and experience to start a venture along the contemplated line. 16 p.c. were lured with the prospect of better earning through the enterprise. Thus one-fifth of the entrepreneurs displayed some confidence as they had the requisite background for embarking upon a business proposition and a little more than one-third offered varied reasons which rendered standardisation difficult. The discussions above has been given below in a tabular form.

Abstract of Table 10

Classification of Entrepreneurs according to reasons for taking up the scheme.

Reasons	No. of Entrepreneurs	P.C. to Total
Possession of Driving Licence	18	12.33
Experience of work in Enterprise	1	0.68
Previous experience in the Trade	12	8.22
Unemployment	48	32.88
Better prospect for earning	23	15.75
Others	38	26.03
Not stated	4	4.11
Total	6	100.00

2.10 In a nut shell, sample entrepreneurs were mostly of younger generation, educated and came from typically middle class urban family. One-seventh of them represented Scheduled Castes and Scheduled Tribes Community. A fairly high p.c. of them had some training before joining the scheme. Varied reasons goaded them to take up the present enterprise and Govt. offices and official gazette played a dominant role in giving publicity to the scheme.

# Chapter—3

## About the Units

3.1 146 sample units formed the basic input for the study. Their sector-wise and district-wise distribution was as follows :

Table 11  
Distribution of Sample Enterprises.

District	Manufacturing	Transport	Trade	Total
Calcutta	12 (27.91)	70 (82.35)	2 (11.11)	84 (57.54)
Birbhum	16 (37.21)	6 ( 7.06)	7 (38.89)	29 (18.86)
Cooch Behar	15 (34.88)	9 (10.59)	9 (50.00)	33 (22.60)
Total	43 (100.00)	85 (100.00)	18 (100.00)	146 (100.00)

3.2 Units set up under the scheme offered a varied spectrum. In the transport sector there were Auto Rickshaws, Mini Truck, Taxi, Luxury Taxi, Truck & Bus. The trade sector comprised Rice Mill, Grocery shop, Dairy unit, Tailoring shop, shop for selling Hosiery goods, Furniture, Fertiliser, Lottery Ticket, Sports goods, Soap, Jewellery, Chanachur and small scale units for sawing of wood. A no. of manufacturing units also appeared to have come into existence due to implementation of the programme. They included Manufacturing of Mosaic Tiles, Pen Manufacturing, Manufacturing of Ayurvedic Medicine, Fuel Injection Pumps, Bags, Packaging cover of consumer goods, metal container and Manufacturing & colour processing of Polythene granules. Quite a good number of Pan Biri-Cigarette shop and small units for xerox-copying owed their origin to the programme. Incidentally it may be mentioned that the list above is not exhaustive, only illustrative of the wide spread and coverage of the programme.

3.3 These sample units sprang up in different years. The following table gives their distribution by year of start :—

Table 12 (Abridged)  
Distribution of sample Units by Year of Start

Year of start	No. of Units			
	Manufacturing	Transport	Trade	Total
Prior to				
1979-80	4 (9.31)	11 (12.94)	3 (16.66)	18 (12.37)
1980-81	4 (9.31)	1 ( 1.18)	4 (22.22)	9 ( 6.15)
1981-82	12 (27.90)	23 (27.06)	6 (33.34)	41 (28.07)
1982-83	13 (30.24)	36 (42.35)	3 (16.67)	52 (35.61)
1983-84	10 (23.24)	14 (16.47)	2 (11.11)	26 (17.80)
Year not mentioned	—	—	—	—
Total	43 (100.00)	85 (100.00)	18 (100.00)	146 (100.00)

3.4 The units are also amenable to wide classification in terms of investment. The table below illustrates how significantly they varied among themselves according to investment embodied in them. This is however natural as the investment requirement of a Pan-Biri shop cannot be equal to that for putting a truck on road.

Table 13 (Abridged)  
Classification of Enterprise by Level of Investment

Level of Investment (in Rs.)	Number of Units			
	Manufacturing	Transport	Trade	Total
Upto 5000	2 (4.65)	1 (1.17)	4 (22.22)	7 (4.80)
5001—10,000	2 (4.65)	1 (1.17)	4 (22.22)	7 (4.80)
10,001—15,000	1 (2.32)	6 (7.06)	—	7 (4.80)
15,001—20,000	3 (6.99)	—	1 (5.56)	4 (2.74)
20,001—25,000	8 (18.61)	1 (1.17)	1 (5.56)	10 (6.85)
25,001—30,000	3 (6.98)	—	—	3 (2.05)
30,001—40,000	2 (4.65)	—	2 (11.11)	4 (2.74)
40,001—50,000	3 (6.98)	—	—	3 (2.05)
50,001—60,000	1 (2.32)	2 (2.35)	—	3 (2.05)
60,001—70,000	—	11 (12.94)	—	11 (7.53)
70,001—80,000	—	7 (8.24)	—	7 (4.79)
80,001—90,000	1 (2.32)	6 (7.06)	1 (5.56)	8 (5.48)
90,001—1 Lakh	3 (6.98)	3 (3.54)	—	6 (4.11)
1 lakh & above	10 (23.26)	37 (43.54)	—	47 (32.19)
Information not given.	4 (9.30)	10 (11.76)	5 (27.77)	14 (13.01)
Total	43 (100.00)	85 (100.00)	18 (100.00)	146 (100.00)

N. B. Figures in brackets indicate percentage to total.

Small scale units in our country have been classified on the basis of investment in plant and machinery. Presently units with investment in plant and machinery upto Rs. 20 lakhs have been brought in this category. All undertakings with investment upto Rs. 2 lakhs in plant and machinery are treated as tiny units. Judged by this criterion, units set up under the Margin Money Scheme were mostly tiny units. But even among these small units wide variations with regard to investment content was discernible. For instance level of investment in trade sector schemes was generally lower than that of schemes under other two sectors. The level of investment of about 75 p. c. of the transport sector schemes exceed Rs. 50 thousand with visible concentration of 43 p. c. of them in the size class of more than Rs. 1 lakh. In that highest class 23 p. c. of the manufacturing sector schemes were also concentrated. Again for the manufacturing sector schemes there were two model classes, viz. Rs. 20000—25000 and Rs. 1 lakh and above where 42 p. c. of the units were found to have been clustered. It is therefore possible to finance small cost trade sector schemes and manufacturing sector schemes costing upto Rs. 25 thousand to optimize return in terms of number of beneficiaries.

3.5 Sample units also differed among themselves with regard to location and mode of ownership. The two tables below will highlight the pattern prevailing among the units with regard to these two parameters.

Table 14 (Abridged)

## Distribution of Sample Enterprises by Location

Location	Manufacturing	Transport	Trade	Total
Own premises	22 (51.17)	21 (24.70)	9 (50.00)	52 (35.61)
Space provided by Govt.	—	—	—	—
Hired buildings	18 (41.87)	12 (14.10)	8 (44.44)	38 (26.03)
Others	3 (6.96)	45 (52.95)	—	48 (32.88)
Not stated	—	7 (8.25)	1 (5.56)	8 (5.48)
Total	43 (100.00)	85 (100.00)	18 (100.00)	146 (100.00)

Table 14 (b) (Abridged)

## Distribution of Sample Enterprises by Mode of Ownership

Mode of Ownership	Manufacturing	Trade Transport	Transport Trade	Total
Proprietor	36 (83.72)	16 (88.88)	77 (90.58)	129 (88.36)
Partnership	7 (16.28)	1 (5.56)	5 (5.88)	13 (8.90)
Co-Operative	—	—	—	—
Others	—	—	—	—
Not stated	—	1 (5.56)	3 (3.54)	4 (2.74)
Total	43 (100.00)	18 (100.00)	85 (100.00)	146 (100.00)

It may be seen from table 14 that there was a preponderance of transport units under the category 'others'. This 'others' refers to Petrol Pumps where transport unit are kept. Monthly rent in these petrol pumps were reportedly cheaper than those charged for the use of other premises. Moreover, in petrol pumps there were provisions for Night-guard for keeping watch on the vehicles. Barring this 'other' category, units were also located in own premises and hired buildings. None of them were found functioning in sheds provided by the Government. As regards mode of ownership, proprietorship dominated the scene as 85 p.c. of units appeared to have conformed to this form of ownership. 9 p.c. of the units were run by partnership and they were mostly either manufacturing or transport units.

# **Chapter—4**

## **Employment**

4.1 One of the objectives of the Margin Money Scheme under the Additional Employment Programme is to create opportunities for employment among the youth of the State. Data on employment therefore generated due to setting up of enterprise were collected from all the sample units and presented in four tables from table 17 to table 20. In these tables, total employment has been disaggregated in terms of three parameters viz. regular-casual, technical non-technical and educated, uneducated so that the reader may evaluate the figures from different angles. Table 17 & 18 give employment in sample enterprises by tenure of such employment. (Page 16)

The following conclusions may be derived from the table 17-18.

i) Vol. of employment generated in 146 sample units came to 848. Per unit employment works out to 5.8. Sectorwise per unit employment stood at 10.3, 1.8 & 4.3 for the Manufacturing, Trade & Transport sectors respectively. Per unit employment for the Calcutta, Birbhum and Cooch Behar were 4.4, 11.1 & 4.7 respectively. The presence of a brick manufacturing units in the total sample of Birbhum employing a good no. of casual workers explains its high per unit employment figure compared to other two districts.

ii) 56.8 p.c. of the aggregate work force were regular workers and the residual represented the casual labourers most of whom were found to be concentrated in the ratio of 2.5 : 1 in the manufacturing and transport sectors respectively.

iii) Though per unit employment figure for the transport units was lower than that of the manufacturing unit, the break down of their total employment between regular and casual components took place in the ratio of 72 p.c. : 28 p.c. compared to 42 p.c. : 58 p.c. of their counterparts in the manufacturing.





4.2 Table 19 gives the break up of employment by level of education.

Table 19 (Abridged)

Employment in Sample Units by Educational Qualification

Educational Qualification	No. of employed
Below Graduate	746 (88.0)
Graduate	34 (4.0)
Above Graduate	1 (0.1)
Qualification not mentioned	67 (7.9)
Total	848 (100.0)

'Below Graduate' above is a composite category including 'Below SF' & 'SF & above but not Graduate'. The p.c. shares of these two categories in the total were 66% & 22%, respectively. Non-technical Graduate and above usually perform managerial and clerical functions. It has already been indicated that a good no. of entrepreneurs were graduates who are supposed to do these specific functions for running their enterprises. Besides them, the scope for wage employment of graduates in these types of units was revealed to be rather limited as this category constituted only 4.1% of the total.

4.3 The pattern of disaggregation of this aggregate employment between technical non-technical component may be seen from table 20.

Table 20 (Abridged)

Technical & Non-Technical Employment in Sampled Enterprises by District & Sector

Sector/District	Technical	Non-Technical	Total
Calcutta	195 (52.4)	175 (36.8)	370 (43.6)
Manufacturing	51 (13.7)	23 (4.8)	74 (8.7)
Trade	—	3 (0.6)	3 (0.3)
Transport	144 (38.7)	149 (31.4)	293 (34.6)
Birbhum	118 (31.7)	204 (42.8)	322 (38.0)
Manufacturing	105 (28.2)	161 (33.8)	266 (31.4)
Trade	7 (1.9)	2 (0.4)	9 (0.1)
Transport	6 (1.6)	41 (8.6)	47 (5.5)
Cooch Behar	59 (15.9)	97 (20.4)	156 (18.4)
Manufacturing	49 (13.2)	57 (12.0)	106 (12.5)
Trade	—	20 (4.2)	20 (2.3)
Transport	10 (2.7)	20 (4.2)	30 (3.6)
Total	372 (100.00)	476 (100.00)	848 (100.00)

The ratio of technical people to non-technical people in total employment was 1 : 1.3 i.e. for every employment of technical person there was employment of 1.3 non technical person Sectorwise ratios came to 1 : 1.1, 1 : 3.6 and 1 : 1.3 for manufacturing, trade & transport sectors respectively. The technical employment in the trade sector was found to be rather marginal.

4.4 Investment-employment ratio i.e. the cost of generating unit employment calculated taking all the units together came to Rs. 17868. This aggregative ratio however conceals intersectoral variation. For instance investment required for creating unit employment in the manufacturing sector was estimated to be Rs. 6312. Values for the same ratio worked out to Rs. 376547 : 1 person and Rs. 2680 : 1 person for the transport and trade sectors respectively. Even within sector, variations were discernible depending on the nature of unit. In small shops in the trade sector like Pan-Biri Shop, Shop for selling chanachur and Lottery Ticket usually one man was found employed with a low scale of investment ranging between Rs. 1600 and Rs. 2300 while in a printing press or an establishment for xerox copying (in Calcutta 3 such units came in the sample) investment employment ratio stood at Rs. 19117 : 1 Person. In the transport sector, investment equivalents of unit employment for Calcutta, Birbhum and Cooch Behar were Rs. 36354, Rs. 64888 & Rs. 44323 respectively. These discrepant figures were again due to variations in the proportion in which different types of units have been represented in the district sample. Notwithstanding these limitations, these ratios nevertheless broadly indicate investment implication for giving employment to one person under the programme.

# Chapter—5

## Profitability

5.1 This chapter proposes to evaluate economic profitabilities of sample units with the help of two parameters viz. i) p.c. of net profit to investment & ii) p.c. of net profit to total sale of product & services. The sale of an enterprise may be high and its profit may also be high in relation to the volume of sales but such profit may be inadequate to ensure a reasonable return to capital investment. Here in lies the rationale for using these two ratios.

5.2 Table 15 gives the classification of units according to profitability as measured by the p.c. of profit to investment.

Table 15 (Abridged)

P.C. of profit to Investment	Calcutta	Birbhum	Cooch Behar	Manufac- turing	Trade	Trans- port	Total
0—10%	40 (47.7)	2 (6.9)	3 (9.1)	8 (18.6)	1 (5.6)	36 (42.4)	45 (30.8)
11%—20%	17 (20.2)	2 (6.9)	6 (18.2)	9 (20.9)	1 (5.6)	15 (17.7)	25 (17.1)
21%—30%	6 (7.1)	1 (3.5)	3 (9.1)	3 (7.0)	1 (5.6)	6 (7.1)	10 (6.8)
31%—40%	3 (3.6)	1 (3.5)	1 (3.0)	2 (4.7)	—	3 (3.5)	5 (3.5)
41%—50%	—	1 (3.5)	1 (3.0)	2 (4.7)	—	—	2 (1.7)
50%—above	1 (1.2)	—	7 (21.2)	3 (7.0)	3 (16.7)	2 (2.3)	8 (6.8)
Running under Less	16 (19.0)	—	—	4 (9.4)	—	12 (14.1)	16 (10.9)
Closed	1 (1.2)	1 (3.5)	10 (30.3)	2 (4.7)	5 (27.8)	5 (5.8)	12 (8.5)
Not mentioned	—	21 (62.2)	2 (6.1)	10 (23.0)	7 (38.7)	6 (7.1)	23 (14.0)
Total	84 (100.00)	29 (100.00)	33 (100.00)	43 (100.00)	18 (100.00)	85 (100.00)	146 (100.00)

The table shows that the units surveyed fall into four broad categories viz. i) those running under profit, ii) those running under loss, iii) those which were found closed at the time of enquiry and iv) the last group comprising units which preferred not to disclose their profit figures. Profitable units constituted 66.6 p.c. of the aggregate i.e. exactly two-third of the units were reportedly running under profit. Investigation further revealed there 11 p.c. of the units were running under loss and 8.5 p.c. closed due to various reasons. The residual 14 p.c. were non-respondents. Again among the profitable units about 31 p.c. were earning nominal profit, the p.c. of profit in their cases varied between 0—10 p.c. If the cut off point between the high and low profit level is taken as 30 p.c. 80 out of 95 profitable units i.e. 84 p.c. appeared to be in 0–30 p.c. range. Closed units were mostly concentrated in Cooch Behar and all the losing units in Calcutta, their incidence on the transport sector being the heaviest. Turning to sector-wise profitability manufacturing sector revealed more stable pattern compared to other sectors. Here in this sector incidence of closure was lowest and the profitable units were distributed more evenly among all the profit ranges. But the credit of having highest p.c. of profitable units goes to the transport sector. Here among 85 units, 62 units (73 p.c.) turned out to be profitable, though closed and sick units were also not negligible in number. One can study also the apportionment of profitable & closed and sick units from the following lay out.

Status	Manufacturing	Trade	Transport	Total
Profitable	27 (28.4) (81.8)	6 (6.3) (54.5)	62 (65.3) (78.5)	95 (100.0) (77.2)
Running under Loss	4 (25.0) (12.1)	—	12 (75.0) (15.2)	16 (100.0) (13.0)
Closed	2 (16.6) (6.1)	5 (41.7) (45.5)	5 (41.7) (6.3)	12 (100.0) (9.8)
Total	33 (26.8) (100.0)	11 (8.9) (100.0)	79 (64.3) (100.0)	123 (100.0) (100.0)

The table is based on reporting units. The table shows that the pattern of distribution of responding units among various status of viability is almost identical between the transport and manufacturing sector with a slightly better performance of the latter over the former. Trade sector schemes were either profitable or closed. Chances between either survival and profit or closure were almost fifty-fifty.

5.3 Table 16 presents classification of units on the basis of profit they earned as p.c. to sale of product or services.

Table 16 (Abridged)

Classification of units according to profitability as measured by p.c. of Profit to Sale of Product

P.C. of Profit to Sale	Calcutta	Birbhum	Cooch Behar	Manufac-turing	Trade	Trans-port	Total
0—10%	18 (21.4)	1 (3.4)	3 (9.1)	5 (11.6)	—	17 (20.0)	22 (15.1)
11—20%	14 (16.7)	1 (3.4)	6 (18.2)	8 (18.6)	1 (5.5)	12 (14.1)	21 (14.4)
21—30%	21 (25.0)	2 (6.8)	3 (9.1)	6 (13.9)	2 (11.1)	18 (21.2)	26 (17.8)
31—40%	10 (11.9)	1 (3.4)	3 (9.1)	2 (4.6)	19 (5.5)	11 (12.9)	14 (9.6)
41—50%	3 (3.6)	1 (3.4)	2 (6.1)	4 (9.2)	1 (5.5)	1 (1.1)	6 (4.1)
50 & above	1 (1.2)	1 (3.4)	4 (12.2)	2 (4.6)	1 (5.5)	3 (3.5)	6 (4.1)
Running under Loss	16 (19.0)	—	—	4 (9.2)	—	12 (14.1)	16 (10.9)
Closed	1 (1.2)	1 (3.4)	10 (30.1)	2 (4.6)	5 (27.8)	5 (5.9)	12 (8.2)
Not mentioned	—	21 (72.8)	2 (6.1)	10 (23.7)	7 (39.1)	6 (7.2)	23 (15.8)
Total	84 (100.0)	29 (100.0)	33 (100.0)	43 (100.0)	18 (100.0)	85 (100.0)	146 (100.0)

The table reveals units with better profitability when their profits were linked to sale. For instance average profit as p.c. to sales works out to 22.8 p.c. against 16.4 p.c. when profit is expressed as p.c. to investment. The problem therefore may be more of efficient utilisation of invested capital than of finding outlets for goods and services.

5.4 It has been mentioned that about 9 p.c. of the units were found closed and 11 p.c. unprofitable at the time of enquiry. The implication of this phenomenon can best be appreciated if it is linked to quantum of capital, bank loan and margin money locked up due to it. The relevant data may be found from table 27 to 29. It may be seen that the total capital locked up due to closure of 16 units amounted to Rs. 2.56 lakhs. The bank loan and margin money which remained unpaid were Rs. 2.2 lakhs and 0.20 lakhs respectively with their prospects for recovery being a distant proposition. Units reporting sick were either running at a loss or earning a nominal profit to justify their existence. Various reasons were identified as responsible for these state of affairs. Those were shortage of working capital, labour trouble, supply of defective vehicle, constant breakdown of the vehicle, non-receipt of money in time, low demand for the product or service, escalation in the price of spare parts for vehicle, load-shedding etc. In a particular case death of father was reportedly responsible for closure of unit. Owners of two dairy units were forced to close their units due to death of animal. It may be interesting to find from table 29 that about 77 p.c. of the entrepreneurs were hopeful for recovery of their units in near future. Follow up measures may therefore need to be adequately strengthened to reduce the incidence of closure and sickness of units.

## Chapter—6

### Status of Loan Repayment

6.1. In the Margin Money Schemes under The Additional Employment Programme, Banks normally advance two kinds of loan to entrepreneurs viz. Fixed Capital Loan and Working Capital Loan and also composite loan involving both the Fixed and Working Capital. Loans are repayable generally within three years in 36 instalments but in certain cases the period of repayment may extend upto seven years at the discretion of the bank. Normally 12 p.c. interest is charged on loan but it may rise upto 17 p.c. in case of higher advances with higher extent of risk involvement or as penal rate for default. The time of payment of first instalment depends on the nature of project but in most cases, the first instalment becomes due after the enterprise starts generating surplus. In the case of margin money advance carries interest @ 5½ p.c. per annum reducible to 4%, for regular payment. The loan together with interest thereon is repayable in four equal annual instalments. Repayment of Margin Money against block capital starts after the term loan from Bank/Financial Institution with interest has been fully repaid or 8 (eight) years, whichever earlier. Repayment of margin money against Working Capital commences from the 3rd year of the date of advance.

6.2 In this Chapter, an attempt has been made to examine the status of repayment of bank loan and margin money as revealed on the date of investigation. Data on loan repayment and repayment of margin money collected from 146 entrepreneurs have been presented in consolidated form in table 21 & table 22. These two tables mainly provide the basic material for analysis in this Chapter.

6.3 In repayment of bank loan, two issues are relevant viz. magnitude of repayment and no. of entrepreneurs involved therein. The following table may throw same idea on the quantum of repayment.

**Districtwise Total Loan Received & Repayment**

District	( A )		(Rs. in lakhs)
	Loan Received	Loan Repaid	P.C. of repayment
Calcutta	74.48	10.82	14.52
Birbhum	8.64	2.33	27.22
Cooch Behar	3.20	0.33	10.30
Total	86.32	13.50	15.64

**Sectorwise Total Loan Received & Repayment**

Sector			(Rs. in lakhs)
	Loan Received	Loan Repaid	P.C. of repayment
Manufacturing	5.76	1.17	20.34
Trade	0.69	0.38	55.46
Transport	79.87	11.95	14.96
Total	86.32	13.50	15.64

The table shows that 146 sample entrepreneurs took loan from banks amounting Rs. 86.32 lakhs and repayment by them on the date of enquiry stood at the level of Rs. 13.50 lakhs constituting thereby 15.64 p.c. of the aggregate. Sectorwise p.c. of repayment was highest for the trade (55.46 p.c.) followed by manufacturing (20.34 p.c.) & transport (14.96 p.c.) Districtwise Birbhum topped the list (27.22 p.c.) followed by Calcutta (14.52 p.c.) and Cooch Behar (10.30 p.c.)

6.4 As regards the no. of loanee entrepreneurs involved in the process of repayment, the following table may provide some answer.

**Yearwise No. of Entrepreneurs who paid instalments to the Bank**

Year	No. of Entrepreneurs liable for instalment payment	No. of Entrepreneurs reportedly paid at least one instalment	P.c.
1979—80	18	15	88.22
1980—81	27	5	18.89
1981—82	68	19	29.69
1982—83 & 1983—84	146	52	36.30

The table above has been constructed taking elements from tables 12 and 21. It shows that 88.22 p.c. of the loanee entrepreneurs made instalment payments in 1979-80. This high p.c. was however due to presence of a good no. of old cases in the year of 1979-80. The p.c. in the next year dropped to 19 and thereafter rose to 30 and 36 in 1981-82 and 1982-83 respectively. Thus at the time of enquiry a little above one-third (36.30 p.c.) of the sample entrepreneurs stated to have paid at least one instalments to the bank. To put the matter in other way 63.70 p.c. of sample entrepreneur did not make any mention of instalment payment.

6.5 Though 36.3 p.c. of sample entrepreneurs reportedly paid their bank loan instalment, they widely varied among themselves with regard to p.c. of loan repaid. This will be evident from the following table.

Table 21  
Distribution of Entrepreneurs according to p.c. of loan repaid  
by Sector & District (Calculated from Table 21)

P.C. of loan repaid	No. of Entrepreneurs						Total
	Mg	Tr	Tp	Calcutta	Birbhum	Cooch- Behar	
Upto 5 p.c.	2 (18.18)	—	3 (8.57)	4 (11.11)	—	1 (11.11)	5 (9.43)
6—10 p.c.	1 (9.09)	—	7 (20.00)	6 (16.67)	1 (12.50)	1 (11.11)	8 (15.09)
11—15 p.c.	3 (27.28)	1 (14.28)	3 (8.57)	4 (11.11)	1 (12.50)	2 (22.21)	7 (13.20)
16—20 p.c.	—	1 (14.28)	6 (17.14)	6 (16.67)	—	1 (11.11)	7 (13.21)
21—25 p.c.	1 (9.09)	—	4 (11.43)	3 (8.32)	2 (25.00)	—	5 (9.43)
26—30 p.c.	—	—	3 (8.57)	3 (8.33)	—	—	3 (5.66)
31—35 p.c.	1 (9.09)	—	2 (5.72)	2 (5.56)	1 (12.50)	—	3 (5.66)
36—40 p.c.	—	—	4 (11.43)	4 (11.11)	—	—	4 (7.55)
41—45 p.c.	1 (9.09)	—	—	1 (2.78)	—	—	1 (1.89)
46—50 p.c.	1 (9.09)	—	—	—	1 (12.50)	—	1 (1.89)
51 p.c. & above	1 (9.09)	5 (71.44)	3 (8.57)	3 (8.33)	2 (25.00)	4 (44.45)	9 (16.48)
Total	11 (100.00)	7 (100.00)	35 (100.00)	36 (100.00)	8 (100.00)	9 (100.00)	53 (100.00)



The table reveals that one-fifth of the entrepreneurs who paid instalments were able to clear more than 40 p.c. of their outstanding bank loan. For the trade sector, this p.c. was as high as 71. This was possible perhaps due to quantum of individual bank loan being small for this sector. Barring inter district and inter-sectoral variation in the extent of repayment, entrepreneurs were found to be at various stages of such repayment. A little above 49%, of the payee-entrepreneurs cleared at least 20 p.c. of their loan while for 62 p.c. the extent of repayment was more than 15 p.c.

6.6 There is no doubt that ability to pay depends on profitability of the enterprise but willingness to pay is also to be reckoned with as will be evident from the following table.

Profit Level	No. of Entrepreneurs	No. of Entrepreneurs paying instalment	P.C.
Upto 10 p.c.	45	17	38
11—20 p.c.	25	13	52
21—30 p.c.	10	8	80
31—40 p.c.	5	2	40
41—50 p.c.	2	—	nil
51 p.c. & above	8	4	50
Running under loss	16	3	18
Closed	12	1	9
Profit not mentioned	23	5	22
Total	146	53	36

\* (Gross Profit : Investment)  $\times$  100

The p.c. of entrepreneurs paying instalments to the bank is observed to have gradually increased as rate of profit increased from zero level to 30 p.c. level and thereafter there was no relationship between the two. In fact none of the two entrepreneurs who made more than 40 p.c. profit paid a single instalment to the bank. Similarly in the profit level of 51 p.c. & above, there were 50 p.c. defaulters.

6.7 Repayment pattern was also studied with reference to 7 old cases covering the period from 1973-74 to 1975-76. The presumption was that at least the old units by this time had fully contributed to repayment of bank loan. It was revealed that loans taken by these units aggregated Rs. 1.67 lakhs out of which repayment till the date of enquiry amounted to Rs. 0.80 lakhs. The p.c. of repayment for the old cases worked out to 48.25. A good portion of old dues therefore are yet to be realised by the bank.

6.8 As regards margin money there is palpable indication in table 22 that its process of repayment was yet to take a start. This is obvious because its repayment becomes

due after the full payment of term loan from the bank and from the 3rd year of the date of bank advance against working capital.

6.9 Information on loan, advance & repayment were also collected from 85 bank branches which advanced loans under Margin Money Scheme to sample entrepreneurs. These information have been processed into two tables viz. Tables 28 & 29. The purpose was to highlight repayment pattern from another angle. It appears that 85 branches of 16 public sector banks constituted the sampling frame in the three districts. They reportedly advanced bank loans of Rs. 364.06 lakhs to 839 individuals during the 4-year period from 1979-80 to 1982-83 and realised Rs. 78.41 lakhs as repayment. The p.c. of repayment thus came to 21.54 which was higher than that worked out on the basis of figures furnished by sample entrepreneurs. The pattern of repayment also varied from year to year as will be evident from table 29. The table shows that the p.c. of repayment was lowest (14.15 p.c.) in the last year of the reference period. Before that year, there was a rising trend of the percentage from 1979-80 onwards.

6.10 There were various reasons for non-repayment. Under certain circumstances, difficulties of repayment were genuine which arose mainly out of lack of profitability of the unit but there were also cases where abstention from repayment were wilful and not warranted by cold facts of business. In fact 38 p.c. of Branch Managers identified 'doubtful integrity of entrepreneurs' as one of the reasons for non-repayment of bank dues. Branch Managers also pointed out that some entrepreneurs were found obsessed with the notion that Government would ultimately pay the loan. This peculiar psychological complex may need to be counteracted with suitable devices.

6.11 Various forms of action were reportedly taken to tackle defaulters. 64 Branch Managers told to have issued request letters to 517 parties. Bank representatives were also sent to the residence of 485 entrepreneurs by 48 branches to settle the issue on the spot. The most extreme form of action i.e. legal action ranging from serving legal notice to institution of legal suit was stated to have been taken against 268 individuals by 19 Branches. Needless to say these people represented the 'hard core' of defaulters.

In short, all these actions suggest that the process of recovery of bank loan was not as painless as it should have been for the success of the programme through reinvestment of repaid capital. The Public Demands Recovery Act has already been invoked and is expected to generate encouraging results.

# Chapter—7

## Summary of Findings

7.1 One of the pressing problems confronting the State of West Bengal like other States in the country is the problem of unemployment. The employment exchange data indicate that there were 36.85 lakh persons on the live register at the end of June 1983 of which 47.72 p.c. were with qualifications S.F. & above. Against this background opportunities for employment have not been significantly increasing over years as figures on public and private sector employment show that the total volume of employment which was at the level 25.66 lakhs in 1979 in the State increased only to 26.19 lakhs at the end of 1982.

( Chapter—1, Paras 1.0, 1.1 & 1.2 )

7.2 To reduce the hardship of victims of this economic and social malaise, the Government decided to grant unemployment assistance and in this way covered 4.27 lakh unemployed people under it during 1981—82 and 1982—83. This is obviously not a permanent solution. The Government, therefore, initiated a number of employment generating schemes to fight unemployment on a significant scale. The Margin Money scheme under the Additional Employment Programme is one among them. The main objective of the programme is to promote self employment generating employment schemes in the field of Industries, Commerce and Services. Under this programme Margin Money Assistance is given to the extent of 10 p.c. of the total project cost ( upto 20 p.c. to certain categories ) to entrepreneurs in order to enable them to set up viable, small scale units in the manufacturing, trade & transport sector. The rest of the finance is provided by bank. The task of the financing is provided by the bank. The task of implementing the programme mainly devolves on three Govt. departments, viz. Department of Home (Transport), C & S.S.I and Youth Services though other departments and corporations, viz. A H & V S. W B I D C, W B E D C are also involved in the programme. The Development & Planning Department is the nodal department in respect of formulation, propagation and monitoring of A.E.P. Scheme in the State. Besides, there is a high powered State level Margin Money Committee for regulating, co-ordinating and giving direction to the programme.

( Chapter—1, Paras 1.3 & 1.4 )

7.3 The banks play a pivotal role in the context of the programme which starts with inviting applications for margin money from genuinely unemployed entrepreneurs and continues even after release of bank loan for realising repayments through instalments at quarterly intervals. The programme has been continuing in the State since 1973 and substantial investment in the Industry, Trade & Transport sector of the economy took place under it. Recent data in this respect indicate that margin money release aggregated Rs. 87.79 lakhs, Rs. 89.79 lakhs and Rs. 59.87 lakhs for the years 1980—81, 1981—82 and 1982—83

respectively during which 2457 units were set up with a little more than 15 thousand persons employed therein. The programme is therefore mature enough to warrant another evaluation, the first being made by the Evaluation, Monitoring and Manpower Branch under the Development & Planning Department in 1978. This time also the task devolved on the same organisation.

( Chapter—1, Paras 1.5 & 1.6 )

7.4 Objectives delineated for the study were, inter alia, qualitative and quantitative assessment of the programme in terms of beneficiary selection, viability of units set up under it, its impact on employment, an appraisal of current status of bank loan and margin money repayment and identification of bottlenecks of implementation and suggested measures for overcoming them. The reference period chosen in this connection was a 3-year period from 1980—81 to 1982—83 with 1979—80 as the bench mark year and three districts viz. Calcutta, Birbhum and Cooch Behar were selected in view of the difficulty of spreading the net work over all the districts of the State due to constraint of resources. Such district selection however was not arbitrary but followed a definite procedure. Qualitative and quantitative information were obtained through structured questionnaires from sample entrepreneurs, branches of nationalised banks which advanced bank loan to these entrepreneurs, District Project Level Officers from three select districts, authorised representatives of nationalised banks of the head quarters and authorised representatives of three implementing departments. In selecting sample entrepreneurs, all the units belonging to the (i) transport (ii) trade and (iii) manufacturing sector established during the reference period and received margin money assistance in each of the three select districts were taken into consideration. This was followed by a random selection of 20 p.c. of units from the 3 district—3 sector matrix. The total sample size came to 171 of which filled in schedules could be obtained from 146 sample entrepreneurs. As regards bank branches, 85 such branches were contacted though originally the number fixed was 119, the gap representing non-response. Figures, views and suggestions received from levels as described above formed the basic input for the study.

( Chapter—1, Para 1.7 )

7.5 The socio economic and demographic characteristics of 146 sample entrepreneurs whose units were visited, their education and training profile, their pre-scheme employment status revealed the following broad trend.

i) Sample entrepreneurs represented the younger stock of the community as 63 p.c. of them appeared to have been concentrated in two age groups viz. 25—29 years and 30—34 years and another 15 p.c. belonged to the lowest age group 20—24 years.

( Chapter—2, Para 2.2 )

ii) A little more than 14 p.c. of entrepreneurs belonging to Scheduled Castes and Scheduled Tribes community participated in the programme. Incidentally it may be mentioned that according to Census '81, 26—62 p.c. of the population in west Bengal were

**Scheduled Tribes.** Percentage representation of Scheduled Castes and Scheduled Tribes people therefore in the sample was lower than their percentage representation in the total population.

( Chapter—2, Para 2.3 )

iii) 72 p.c. of entrepreneurs reportedly had more than Rs. 10,000/- as their annual family income but as average family size was 7, per capital income did not yield an encouraging magnitude. For every ten families, there were eight unemployed and for every family there were two earners. On the whole, the sample mix represented typical middle class urban families where there were some earners, unemployed members and insufficient family income in relation to the size of the family.

( Chapter—2, Para 2.4 )

iv) 84 p.c. in the sample were with qualification S.F. & above. This p.c. is observed to be higher than the p.c. representative ( 47.72 p.c. in 1983 ) of this category of manpower on the register of employment exchange. Participation by Graduates on a significant scale (35.62 p.c.) in the programme was another notable feature revealed in course of study. Thus though Margin Money Scheme is not a scheme for educated unemployed, their dominance in the context of programme-participation is quite visible. Moreover, sample entrepreneurs were not only educated, a little more than half of them received some training prior to joining the scheme and 90 p.c. of the trained stated to have utilised their training in the present venture.

( Chapter--2, Para 2.6 )

v) 58.22 p.c. of the entrepreneurs were unemployed prior to joining the programme. Employeds constituted 26.72 p.c. of the aggregate. Participation of this previously employed category was not against the spirit of the programme.

( Chapter—2, Para 2.7 )

7.6 Entrepreneurs gathered their first knowledge about the scheme from varied sources viz. Banks, Friend, Relative, Govt. offices, Official Gazette, Radio, T.V. Newspapers etc. of them Govt. Offices appeared to have played a major role in disseminating information about the scheme. Next to them were Newspapers and entrepreneurs' friends and relatives who were already familiar with the scheme. The role of publicity media like T.V. and Radio was negligible.

( Chapter—2, Para 2.8 )

7.7 Entrepreneurs offered varied reasons for joining the present programme while one-third of them joined just because they were unemployed. 21 p.c. professed to have the requisite expertise to start a venture with loan from bank and Government.

( Chapter—2, Para 2.9 )

7.8 Units set up under the Margin Money Scheme offered a varied spectrum. In the transport sector, there were Auto Rickshaws, Mini Truck, Taxi, Luxury Taxi, Truck and Bus. The trade sector comprised Rice-Mill, Grocery Shop, Dairy Unit, Tailoring Shop, Shop for Selling Hosiery Goods, Furniture, Fertiliser, Lottery Ticket, Sports Goods, Soap, Jewellery, Chanachur and Small Pan-Biri-Cigarette Shop. Manufacturing units included units for manufacturing of Mosaic Tiles, Pen, Ayurvedic Medicine, Packaging cover of consumer goods, Metal Container and also units for manufacturing and colour processing of polythene Granules. Some Printing Press and units for xerox copying also owed their existence to the programme. Incidentally it may be mentioned that the list above is not exhaustive but only illustrative of the wide spread and coverage of the programme.

( Chapter—3, Para 3.1 )

7.9 Units can not only be differentiated according to their sectoral placement and nature of product, they are also amenable to wide classification in terms of investment embodied in them. Though units set up under the Margin Money Scheme were mostly 'tiny units' as their investment did not exceed Rs. 2 lakhs, even among these small units wide variations with regard to investment content were discernible. For instance the level of investment of about 75 p.c. of transport sector schemes exceeded Rs. 50 thousand with visible concentration of 43 p.c. of them in the size class of more than Rs. 1 lakh, As against this in 45 p.c. of the trade sector schemes, the upper limit of investment was revealed to be Rs. 10,000 only. Again for the manufacturing sector there were two modal classes viz. Rs. 20,000—25,000 and Rs. 1 lakh and above where 42 p.c. of units were found to have been clustered. It may therefore be possible for identifying small cost trade sector and manufacturing sector schemes to optimize results in terms of no. of beneficiaries.

( Chapter—3, Para 3.4 )

7.10 The sample units also differed among themselves with regard to location and mode of ownership. The units were found located in own premises (35.61 p.c.) and hired buildings (26.03 p.c.). Transport units were mostly kept in Petrol Pump Stations where monthly rents were reportedly cheaper with provisions for Night Guard for keeping watch on the vehicle. Not a single unit was found functioning in the shed provided by the Government. As regards mode of ownership, proprietorship dominated the scene as 88 p.c. of the units conformed to this form of ownership, 9 p.c. were partnership units. Co-operative form of ownership was absent.

( Chapter—3 Para 3.5

7.11 The number of persons employed in 146 sample unit was calculated to be 848. Employment per unit thus worked out to 5.8. Sector-wise per unit employment figures stood at 10.3, 1.8 and 4.3 for the manufacturing, trade and transport sectors respectively.

56.8 p.c. of the aggregate work-force were regular workers and the residual represen-

ted the casual workers. Though per unit employment figure was found to be lower for the transport sector than that for the manufacturing sector, its regular component was much higher 72 p.c. compared to 42 p.c. for the manufacturing sector.

( Chapter—4, Para 4.1 )

7.12 Among the employed Graduates constituted only 4 p.c. of the aggregate, 88 p.c. belonged to the category of 'Below Graduate' which was a composite category consisting 'Below S.F.' and 'S.F. & above but not Graduates'. Their percentage shares to total being 66 p.c. & 22 p.c. respectively.

( Chapter—4, Para 4.2 )

7.13 44 p.c. of the employed people were technical. Sectorwise the percentages were 46, 22 and 53 for the manufacturing, trade and transport sectors respectively.

( Chapter—4, Para 4.3 )

7.14 Investment employment ratio i.e. the cost of generating unit employment calculated taking all the units together came to Rs. 17,868. This aggregative ratio however conceals inter sectoral variation. Even within sector variations were discernible depending on the nature of unit. In small shops in the trade sector like Pan-Biri Shop, shop for selling Chanachur & Lottery Ticket usually one man was found employed with a low scale of investment ranging between Rs. 1600 and Rs. 2500 while for a printing press or for an establishment for xerox copying, investment employment ratio stood around Rs. 20,000 : 1 person. In the transport sector investment equivalents of unit employment for Calcutta, Birbhum and Cooch Behar were Rs. 36,354, Rs. 64,888 & Rs. 44,323 respectively. These discrepant figures were again due to variations in the proportion in which different types of unit have been represented in the district sample. Similarly investment required for creating one employment in the manufacturing sector was estimated to be Rs. 6300. Notwithstanding these variations, these ratios nevertheless broadly indicate investment implications for generating employment under different situations.

( Chapter—4, Para 4.4 )

7.15 Of the 146 units surveyed, 95 were reportedly running under profit. Profitable units thus constituted 66.6 p.c. of the aggregate. 16 units (11 p.c.) were running under loss and 12 units (8.5 p.c.) were found closed at the time of enquiry. The residual 14 p.c. remained silent on their status of viability.

Again among the profitable units about 31 p.c. were earning nominal profit. The p.c. of profit to investment in their cases fluctuated within 10 p.c. range but at the other extreme end 7 p.c. appeared to have been earning more than 50 p.c. profit.

Turning to sectorwise profitability 73 p.c. of the transport units turned out to be profitable though closed and sick units were mostly concentrated in this sector. For example of the 28 units which reported either sick or closed, 17 belonged to the transport sector. Incidence of closure was found lowest for the manufacturing sector and here also the

units were more evenly dispersed among different profit ranges. As for the trade sector, units were either earning profit or closed. Chance between either survival & profit or closure were almost fifty-fifty.

Almost all the closed units were in the district of Cooch Behar while all the losing units were in Calcutta-75 p.c. of them being in the transport sector.

( Chapter—5, Para 5.2 )

7.16 Units displayed better profitability when their profits were linked to sale. Average profit as p.c. to sales worked out to 22.8 p.c. against 16.4 p.c. when profit was expressed as percentage to investment. The problem therefore may be more of efficient utilisation of invested capital than of finding consumer for goods and services.

( Chapter—5, Para 5.3 )

7.17 The total capital locked up due to closure of units amounted to Rs. 2.56 lakhs. The bank loan and margin money which remained unpaid with their distant prospects for recovery were Rs.2.2 lakhs & Rs. 0.20 lakhs respectively. It may be said that on an average closure of a unit under margin money schemes involves a capital loss of Rs. 0.22 lakhs.

( Chapter—5, Para 5.4 )

7.18 Various reasons were identified as responsible for closure and sickness of unit. These were shortage of working capital, labour trouble, supply of defective vehicle, constant breakdown of the vehicle, lack of consumer for the product and service, escalation in the price of spare parts for vehicles, load-shedding etc. In a particular case, death of entrepreneur's father was held responsible for closure of unit. Death of animal led to the closure of two dairy units. It may be interesting to find that 77 p.c. of the affected entrepreneurs were hopeful for recovery of their units in near future. This emphasises the need for strengthening follow up measures to reduce the incidence of closure.

( Chapter—5, Para 5.5 )

7.19 146 sample entrepreneurs took loan from the banks under the programme amounting to Rs. 86.32 lakhs and repayment by them on the date of enquiry stood at the level of Rs. 13.50 lakhs constituting thereby 15.64 p.c. of the aggregate. Sector-wise p.c. of repayment was highest for the trade (55.46 p.c.) followed by manufacturing (20.34 p.c.) & transport (14.96 p.c.). Districtwise Birbhum topped the list (27.22 p.c.) followed by Calcutta (14.52 p.c.) and Cooch Behar (10.30 p.c.).

( Chapter—6, Para 6.3 )

7.20 At the time of enquiry it was revealed that only a little above one-third of the entrepreneurs (36.30 p.c.) stated to have paid at least one instalment to the bank. To put the matter in other way, 63.70 p.c. of entrepreneurs did not make any mention of instalment payment.

( Chapter—6, Para 6.4 )



7.21 Payee entrepreneurs widely varied among themselves with regard to p.c. of loan repaid. One-fifth of them was able to clear more than 40 p.c. of their outstanding bank loan. For the trade sector, the p.c. was as high as 71 p.c. A little above half of the payee entrepreneurs stated to have cleared at least 20 p.c. of their bank loan while for 62 p.c. the extent of repayment was more than 15 p.c.

( Chapter—6, Para 6.5 )

7.22 Though ability to pay depends to a large extent on the profitability of the unit, willingness to pay is also a factor to be reckoned with. For instance, the p.c. of entrepreneurs paying instalment to the bank is observed to have gradually increased as the rate of profit increased from zero level to 30 p.c. level but thereafter there were no relationship between the two. In fact, none of the entrepreneurs belonging to the profit range 41 p.c.-50 p.c. paid a single instalment to the bank. Similarly there was 50 p.c. defaulters in the profit level of 51 p.c. & above.

( Chapter—6, Para 6.6 )

7.23 Study of repayment pattern of old cases also did not present an encouraging picture. The presumption that the old units set up during 1973-74 — 1975-76 by this time had succeeded in paying off their bank due did not get corroboration from the fact. It was revealed that loans taken by the units aggregated Rs. 1.67 lakhs out of which repayment till the date of enquiry amounted to Rs. 0.81 lakhs. The p.c. of repayment for the old cases thus worked out to 48.25. A good portion of old dues therefore remained to be realised by the bank.

( Chapter--6, Para 6.7 )

7.24 The process of repayment of margin money was yet to take a start. This is obvious because its repayment becomes due after the full payment of term loan from the bank and from the 3rd year of the date of bank advance against working capital.

( Chapter—6, Para 6.8 )

7.25 85 sample bank branches advanced an aggregate amount of Rs. 364.06 lakhs as bank loan to entrepreneurs under the programme during the 4 year period from 1979-80 to 1982-83 and realised Rs. 78.41 lakhs as repayment. The p.c. of repayment thus came to 21.54 which was higher than that worked out on the basis of figures furnished by the individual entrepreneurs. The pattern of repayment however varied from year to year. It was lowest (14.15 p.c.) in the last year of the reference period. Before that year, there was a rising trend of the percentage from 1979-80 onwards.

( Chapter—6, Para 6.9 )

7.26 There were various reasons for non-repayment. In certain cases, difficulties of repayment were genuine arising mainly out of lack of profitability of the unit. 48 p.c. of the responding Branch Managers reported to have come across such instances

of genuine default but there were also other cases where abstention from repayment was wilful and not warranted by cold facts of business. In fact 38 p.c. of Branch Managers held 'doubtful integrity of some entrepreneurs' as responsible for non-repayment of bank dues. Again 38 p.c. of Branch Managers pointed out that some entrepreneurs were found obsessed with the notion that Government would ultimately pay the loan for them. This peculiar psychological complex also may need to be counteracted through suitable devices.

( Chapter—6, Para 6.10 )

7.27 Actions taken to tackle defaulters involved i) issue of request letters, ii) sending bank representative to the unit to settle the issue on the spot and iii) legal action ranging from serving legal notice to the party to institution of legal suit in the court. 64 Branch Managers told to have issued request letters to 517 entrepreneurs. Bank representatives were also sent to 485 individuals by 48 bank branches. 19 bank branches also reported to have taken legal action ranging from serving legal notice to institution of legal suit in the court against 268 individuals. All these actions suggest that the process of recovery of bank loan was not as painless as it should have been for the success of the programme through recycling of repaid capital. The Public Demands Recovery Act for realisation of bank dues has already been invoked and is expected to yield positive results.

( Chapter—6, Para 6.11 )

Table 1

## Distribution of Sampled Entrepreneurs by Age Group

Age Group	C A L C U T T A				B I R B H U M				C O O C H - B E H A R			
	Mg	Tr	Total		Mg	Tr	Total		Mg	Tr	Total	
Below 20 years	—	—	—	—	—	—	—	—	—	—	—	—
20 — 24	3 (25.00)	9 (12.86)	12 (14.29)	—	5 (31.25)	1 (14.29)	6 (20.69)	—	1 (6.67)	3 (33.34)	4 (12.12)	—
25 — 29	2 (16.67)	32 (45.71)	35 (41.67)	—	1 (6.25)	1 (16.67)	2 (13.79)	—	4 (26.67)	4 (44.45)	1 (11.11)	9 (27.28)
30 — 34	4 (33.33)	21 (30.00)	26 (30.95)	—	5 (31.25)	4 (66.66)	2 (28.57)	—	3 (20.00)	3 (33.33)	1 (11.11)	7 (21.21)
35 — 39	1 (8.33)	7 (10.00)	8 (9.52)	—	3 (18.75)	1 (16.67)	4 (13.79)	—	2 (13.33)	—	2 (22.22)	4 (12.12)
40 — 44	—	1 (1.43)	1 (1.19)	—	1 (6.25)	—	1 (3.45)	—	2 (13.33)	1 (11.11)	2 (22.22)	5 (15.15)
45 & above	2 (16.67)	—	2 (2.38)	—	1 (6.26)	—	3 (10.34)	—	3 (20.00)	1 (11.11)	—	4 (12.12)
Age not stated	—	—	—	—	—	—	—	—	—	—	—	—
Total	12 (100.00)	70 (100.00)	84 (100.00)	—	16 (100.00)	6 (100.00)	29 (100.00)	—	15 (100.00)	9 (100.00)	33 (100.00)	—

**Table—2**  
**Distribution of Sampled Entrepreneurs by Community**

Community	Calcutta	Birbhum	Cooch-Behar	Total
Scheduled Caste	9 (10.71)	2 (6.90)	8 (24.24)	19 (13.01)
Scheduled Tribe	2 (2.38)	—	—	2 (1.38)
Others	73 (86.91)	27 (93.10)	25 (75.76)	125 (85.61)
Community not stated	—	—	—	—
<b>Total</b>	<b>84 (100.00)</b>	<b>29 (100.00)</b>	<b>33 (100.00)</b>	<b>146 (100.00)</b>

**Table—3**  
**Distribution of Sample Entrepreneurs by Family Income (Annual)**

Annual Family Income (in Rs.)	Calcutta	Birbhum	Cooch-Behar	Total
Upto 1200				
1201—2500	1 (1.19)	1 (3.45)	1 (3.03)	3 (2.05)
2501—5000	—	—	3 (9.09)	3 (2.05)
5001—7500	5 (5.95)	5 (17.24)	4 (12.12)	14 (9.59)
7501—10,000	10 (11.90)	4 (13.79)	3 (9.09)	17 (11.64)
10,000 & above	64 (76.20)	19 (65.52)	22 (66.67)	105 (71.92)
Income not stated	4 (4.76)	—	—	4 (2.75)
<b>Total</b>	<b>84 (100.00)</b>	<b>29 (100.00)</b>	<b>33 (100.00)</b>	<b>146 (100.00)</b>

**Table—4**  
**Total Members, and Earning Members**  
**in the families of Sampled Entrepreneurs.**

District	Total sample	Number of Respondent	Total No. of Members	Average Family size	Total No. of Earning members	Average Earning Members
Calcutta	111 (60.66)	84 (57.53)	552 (56.04)	7	168 (58.95)	2
Birbhum	34 (18.58)	29 (19.87)	231 (23.45)	8	63 (22.11)	2
Cooch-Behar	38 (20.76)	33 (22.60)	204 (20.51)	7	54 (18.94)	2
<b>Total</b>	<b>183 (100.00)</b>	<b>146 (100.00)</b>	<b>987 (100.00)</b>	<b>7</b>	<b>285 (100.00)</b>	

Table—5  
Distribution of Sampled Entrepreneurs by Level of Education

Educational Level	Numbers of Entrepreneurs			
	Calcutta	Birbhum	Cooch-Bihar	Total
Below S.F	3 (3.57)	4 (13.79)	16 (48.49)	23 (15.75)
S.F./H.S. or Equivalent	38 (45.24)	13 (44.83)	16 (48.49)	67 (45.89)
Graduate	41 (48.81)	10 (34.48)	1 (3.02)	52 (35.62)
Post-Graduate	1 (1.19)	1 (3.45)		2 (1.37)
Diploma in Engineering	1 (1.19)	1 (3.45)	—	2 (1.37)
Others	—	—	—	—
Qualification not stated	—	—	—	—
<b>Total</b>	<b>84</b> (100.00)	<b>29</b> (100.00)	<b>33</b> (100.00)	<b>146</b> (100.00)

Table—6  
Distribution of Sample Entrepreneurs by Nature of Training Received by them

Nature of Training Received	N u m b e r			
	Calcutta	Birbhum	Cooch-Bihar	Total
Driving Licence	41 (48.81)	4 (13.79)	5 (15.15)	50 (34.26)
Type Writing	2 (2.38)	—	1 (3.03)	3 (2.05)
Short Hand	—	—	—	—
Entrepreneurship Development	1 (1.19)	—	—	1 (0.68)
No Training	34 (40.48)	9 (31.03)	24 (72.73)	67 (45.89)
Did not Respond	2 (2.38)	—	—	2 (1.37)
Others	4 (4.76)	16 (55.18)	3 (9.09)	23 (15.75)
<b>Total</b>	<b>84</b> (100.00)	<b>29</b> (100.00)	<b>33</b> (100.00)	<b>146</b> (100.00)

**Table—7**  
**Distribution of Sampled Entrepreneurs According to Status of Employment**  
**Prior to Joining the Scheme.**

Status	Number of Entrepreneurs			
	Calcutta	Birbhum	Cooch-Behar	Total
Un-employed	49 (58.33)	16 (55.17)	20 (60.60)	85 (58.22)
a) Registered	30 (35.71)	15 (51.72)	7 (21.21)	52 (35.62)
b) Unregistered	19 (22.62)	1 (3.45)	13 (39.39)	33 (22.60)
Employed	15 (17.86)	12 (41.38)	12 (36.37)	39 (26.72)
Student	4 (4.76)	—	1 (3.03)	5 (3.42)
Trainee	3 (3.57)	1 (3.45)	—	4 (2.74)
Others	—	—	—	—
Not stated	13 (15.48)	—	—	13 (8.90)
Total :	84 (100.00)	29 (100.00)	33 (100.00)	146 (100.00)

**Table—8**  
**Classification of previously employed entrepreneurs according to**  
**nature and duration of employment**

Full Time/Wage/Self Part Time	Full Time	Part Time	Total
<b>WAGE</b>			
Calcutta	3	—	3
Birbhum	5	—	5
Cooch-Behar	5	1	6
<b>SELF</b>			
Calcutta	8	1	9
Birbhum	7	—	7
Cooch-Behar	5	1	6

Table—9

Classification of Entrepreneurs According to source of knowledge about the Scheme.

Source of Knowledge	Calcutta	Birbhum	Cooch-Behar	Total
Bank	12 (14.29)	1 (3.45)	1 (3.03)	14 (9.59)
Friend	23 (27.38)	2 (6.90)	3 (9.09)	28 (19.18)
Relative	5 (5.95)	—	—	5 (3.42)
Newspaper	30 (35.72)	5 (17.24)	1 (3.03)	36 (24.66)
Radio	—	1 (3.45)	—	1 (0.68)
T.V.	—	—	—	—
Govt. Offices Gazette	3 (3.57)	18 (62.06)	26 (78.79)	47 (32.20)
Others	3 (3.57)	2 (6.90)	2 (6.06)	7 (4.79)
Not stated	8 (9.52)	—	—	8 (5.48)
Total	84 (100.00)	29 (100.00)	33 (100.00)	146 (100.00)

Table—10

Classification of Entrepreneurs According to Reasons For Taking up the Scheme.

Reasons	Calcutta	Birbhum	Cooch-Behar	Total
Possession of Driving Licence	16 (19.05)	2 (6.90)	—	18 (12.33)
Experience of Work in Manufacturing Entrepreneurs	1 (1.19)	—	—	1 (0.68)
Previous Experience in the Trade	5 (5.95)	6 (20.68)	1 (3.03)	12 (8.22)
Unemployment	34 (40.48)	8 (27.59)	6 (18.18)	48 (32.44)
Better prospect for Earning	8 (9.52)	5 (17.24)	10 (30.30)	23 (15.75)
Others	14 (16.67)	8 (27.59)	16 (48.49)	38 (26.03)
Not stated	6 (7.14)	—	—	6 (4.11)
Total	84 (100.00)	29 (100.00)	33 (100.00)	146 (100.00)

Table—11

Distribution of sampled enterprises by Sector & Districts

District	Nature			Total
	Manufacturing	Transport	Trade	
Calcutta	12 (27.91)	70 (82.35)	2 (11.11)	84 (57.54)
Birbhum	16 (37.21)	6 (7.06)	7 (38.89)	29 (19.86)
Cooch-Behar	15 (34.88)	9 (10.59)	9 (50.00)	33 (22.60)
Total	43 (100.00)	85 (100.00)	18 (100.00)	146 (100.00)

Table—12  
Distribution of Entrepreneurs By Year of Start

Year of Start	Calcutta			Birbhum			Cooch-Behar			Total		
	Mg	Tr	Tp	Mg	Tr	Tp	Mg	Tr	Tp	Mg	Tr	Tp
Prior to 1979—80	1 (8.33)	—	3 (4.29)	2 (12.50)	2 (28.57)	4 (66.66)	1 (6.67)	4 (44.45)	1 (11.11)	4 (9.30)	11 (12.94)	3 (16.67)
1980—81	1 (8.33)	1 (50.00)	1 (1.43)	2 (12.50)	1 (14.29)	—	1 (6.67)	—	2 (22.22)	4 (9.30)	1 (1.18)	4 (22.22)
1981—82	3 (25.00)	—	19 (27.14)	4 (25.00)	2 (28.57)	2 (33.34)	5 (33.33)	2 (22.22)	4 (44.45)	12 (27.91)	23 (27.06)	6 (33.33)
1982—83	3 (25.00)	—	34 (48.57)	4 (25.00)	2 (28.57)	—	6 (40.00)	2 (22.22)	1 (11.11)	13 (30.23)	36 (42.35)	3 (16.67)
1983—84	4 (33.34)	1 (50.00)	13 (18.57)	4 (25.00)	—	—	2 (13.33)	1 (11.11)	1 (11.11)	10 (23.26)	14 (16.47)	2 (11.11)
Year not stated	—	—	—	—	—	—	—	—	—	—	—	—
Total	12 (100.00)	2 (100.00)	70 (100.00)	16 (100.00)	7 (100.00)	6 (100.00)	15 (100.00)	9 (100.00)	9 (100.00)	43 (100.00)	85 (100.00)	18 (100.00)



Table—13

## Classification of Enterprises By Level of Investment

Level of Investment (In Rs.)	Calcutta			Birbhum			Cooch-Behar			
	Manufac- turing	Transport	Trade Total	Manufac- turing	Transport	Trade Total	Manufac- turing	Transport	Trade Total	
Upto—5,000	—	—	—	—	—	2 (28.58)	1 (6.67)	—	5 (55.56)	6 (18.18)
5,001—10,000	—	—	—	2 (12.50)	—	1 (14.28)	2 (13.33)	1 (11.11)	3 (33.33)	6 (18.18)
10,001—15,000	1 (8.33)	—	1 (1.19)	—	3 (50.00)	—	—	3 (33.33)	1 (11.11)	4 (12.12)
15,001—20,000	1 (8.33)	—	1 (1.19)	2 (12.50)	—	2 (28.58)	2 (13.33)	—	—	2 (6.06)
20,001—25,000	—	—	—	3 (18.75)	—	1 (14.28)	—	—	—	—
25,001—30,000	—	—	2 (100.00)	1 (6.25)	—	—	—	—	—	—
30,001—40,000	1 (8.33)	—	1 (1.19)	4 (25.00)	—	1 (14.28)	4 (26.68)	—	—	4 (12.12)
40,001—50,000	1 (8.33)	—	1 (1.19)	1 (6.25)	—	—	2 (13.33)	—	—	2 (6.06)
50,001—60,000	—	—	—	—	—	—	—	—	—	—
60,001—70,000	—	6 (8.57)	6 (7.14)	—	—	—	—	—	—	—
70,001—80,000	1 (8.33)	15 (21.43)	16 (19.05)	—	—	—	—	—	—	—
80,001—90,000	1 (8.33)	6 (8.57)	7 (8.33)	1 (6.25)	—	—	2 (13.33)	2 (22.23)	—	4 (12.12)
90,001—100,000	1 (8.33)	4 (5.71)	5 (5.95)	—	—	—	—	—	—	—
100,001 & Above	5 (41.69)	38 (54.29)	43 (51.20)	2 (12.50)	3 (50.00)	—	2 (13.33)	3 (33.33)	—	5 (15.16)
Information not Given	—	1 (1.43)	1 (1.19)	—	—	—	—	—	—	—
Total	12 (100.00)	70 (100.00)	84 (100.00)	16 (100.00)	6 (100.00)	7 (100.00)	29 (100.00)	15 (100.00)	9 (100.00)	33 (100.00)

Table—14  
Distribution of Sampled Enterprises by Location And Mode of Ownership

	Mode of Ownership						Total
	Proprietor	Partnership	Co-operative	Others	Not stated		
MANUFACTURING							
Own Premises	22 (100.00)	—	—	—	—	22 (100.00)	
Shade Provided By Government	—	—	—	—	—	—	
Hired Buildings	13 (72.22)	5 (27.78)	—	—	—	18 (100.00)	
Others	—	—	—	—	4 (100.00)	4 (100.00)	
Not stated	—	—	—	—	1 (100.00)	1 (100.00)	
TRADE							
Own Premises	9 (100.00)	—	—	—	—	9 (100.00)	
Shade Provided By Government	—	—	—	—	—	—	
Hired Buildings	7 (87.50)	1 (12.50)	—	—	—	8 (100.00)	
Others	—	—	—	—	—	—	
Not stated	—	—	—	—	—	—	
TRANSPORT							
Own Premises	20 (95.24)	1 (4.76)	—	—	—	21 (100.00)	
Shade Provided By Government	—	—	—	—	—	—	
Hired Buildings	11 (91.67)	—	—	—	1 (8.33)	12 (100.00)	
Others	43 (95.56)	1 (2.22)	—	—	1 (2.22)	45 (100.00)	
Not stated	3 (50.50)	3 (50.00)	—	—	—	6 (100.00)	

Table—15

## Classification of Sampled Enterprises According To Profitability As Measured By Percentage of Profit to Gross Investment

Percentage of Profit to Gross Investment	Calcutta			Birbhum			Cooch-Bihar			Total		
	Mg	Tr	Tp	Mg	Tr	Tp	Mg	Tr	Tp	Mg	Tr	Tp
Upto to 10 <sup>0</sup> ₀	4 (33.33)	—	36 (51.43)	2 (12.50)	—	—	2 (13.33)	1 (11.11)	—	8 (18.60)	1 (5.55)	36 (42.35)
11—20 <sup>0</sup> ₀	2 (16.68)	1 (50.00)	14 (20.00)	2 (12.50)	—	—	5 (33.33)	—	1 (11.11)	9 (20.93)	1 (5.55)	15 (17.65)
21—30 <sup>0</sup> ₀	1 (8.33)	1 (50.00)	4 (5.71)	1 (6.25)	—	—	1 (6.67)	—	2 (22.22)	3 (6.98)	1 (5.55)	6 (7.06)
31—40 <sup>0</sup> ₀	1 (8.33)	—	2 (2.86)	1 (6.25)	—	—	—	—	1 (11.11)	2 (4.65)	—	3 (3.53)
41—50 <sup>0</sup> ₀	—	—	—	1 (6.25)	—	—	1 (6.67)	—	—	2 (4.65)	—	—
51 & Above	—	—	1 (1.43)	—	—	—	3 (20.00)	3 (33.33)	1 (11.11)	3 (6.98)	3 (16.67)	2 (2.35)
Running under Loss	4 (33.33)	—	12 (17.14)	—	—	—	—	—	—	4 (9.30)	—	12 (14.12)
Closed	—	—	1 (1.43)	1 (6.25)	—	—	1 (6.67)	5 (55.56)	4 (44.45)	2 (4.65)	5 (27.78)	5 (5.88)
Not Mentioned	—	—	—	8 (50.00)	7 (100.00)	6 (100.00)	2 (13.33)	—	—	10 (23.26)	7 (38.90)	6 (7.06)
Total	12 (100.00)	2 (100.00)	70 (100.00)	16 (100.00)	7 (100.00)	6 (100.00)	15 (100.00)	9 (100.00)	9 (100.00)	43 (100.00)	18 (100.00)	85 (100.00)

Table—16

Classification of Sampled Enterprises According to Profitability As Measured by Percentage of Profit to Total Sale of Product.

Percentage of Profit to sale of Product	Calcutta			Birbhum			Cooch-Bihar			Total		
	Mg	Tr	Tp	Mg	Tr	Tp	Mg	Tr	Tp	Mg	Tr	Tp
0—10%	1 (8.33)	—	17 (24.29)	1 (6.25)	—	—	3 (20.00)	—	—	5 (11.63)	—	17 (20.00)
11—20%	2 (16.67)	—	12 (17.14)	1 (6.25)	—	—	5 (33.33)	1 (11.11)	—	8 (18.60)	1 (5.55)	12 (14.12)
21—30%	3 (25.00)	—	18 (25.71)	2 (12.50)	—	—	1 (6.67)	2 (22.22)	—	6 (13.96)	2 (11.11)	18 (21.18)
31—40%	1 (8.33)	1 (50.00)	8 (11.43)	1 (6.25)	—	—	—	—	3 (33.33)	2 (4.65)	1 (5.55)	11 (12.94)
41—50%	1 (8.33)	1 (50.00)	1 (1.43)	1 (6.25)	—	—	2 (13.33)	—	—	4 (9.30)	1 (5.55)	1 (1.18)
51—Above	—	—	1 (1.43)	1 (6.25)	—	—	1 (6.67)	1 (11.11)	2 (22.22)	2 (4.65)	1 (5.55)	3 (3.53)
Running Under Loss	4 (33.34)	—	12 (17.14)	—	—	—	—	—	—	4 (9.30)	—	12 (14.12)
Closed	—	—	1 (1.43)	1 (6.25)	—	—	1 (6.67)	5 (55.56)	4 (44.45)	2 (4.65)	5 (27.79)	5 (5.88)
Not Mentioned	—	—	—	8 (50.00)	7 (100.00)	6 (100.00)	2 (13.33)	—	—	10 (23.26)	7 (38.90)	6 (7.05)
Total	12 (100.00)	2 (100.00)	70 (100.00)	16 (100.00)	7 (100.00)	6 (100.00)	15 (100.00)	9 (100.00)	9 (100.00)	43 (100.00)	18 (100.00)	85 (100.00)



Table—17 (Continued)  
Employment in Sampled Enterprises

Volume of Employment	CALCUTTA				BIRBHUM				COOCH-BEHAR				TOTAL			
	MG	TR	TP	Total	MG	TR	TP	Total	MG	TR	TP	Total	MG	TR	TP	Total
<b>1981—82</b>																
<b>REGULAR</b>																
a) Whole time	15 (100.00)	—	58 (66.67)	73 (70.87)	7	1	3	11 (57.90)	20 (71.43)	4 (57.14)	8 (88.89)	32 (72.72)	42 (79.25)	5 (55.56)	69 (66.35)	
b) Part time	—	—	6 (6.90)	6 (5.83)	—	—	1 (12.50)	1 (5.26)	2 (7.14)	3 (42.86)	1 (11.11)	6 (13.64)	2 (3.77)	3 (33.33)	8 (7.69)	
Casual	—	1 (100.00)	23 (26.43)	24 (23.30)	3 (30.00)	—	4 (50.00)	7 (36.84)	6 (21.43)	—	—	6 (13.64)	9 (16.98)	1 (11.11)	27 (25.96)	
Total	15 (100.00)	1 (100.00)	87 (100.00)	103 (100.00)	10 (100.00)	1 (100.00)	8 (100.00)	19 (100.00)	28 (100.00)	7 (100.00)	9 (100.00)	44 (100.00)	53 (100.00)	9 (100.00)	104 (100.00)	
<b>1982—83</b>																
<b>REGULAR</b>																
a) Whole time	49 (83.05)	—	119 (69.19)	168 (72.41)	24 (17.02)	4 (66.67)	3 (12.00)	31 (18.02)	37 (56.92)	4 (57.14)	17 (94.44)	58 (64.44)	110 (41.51)	8 (57.14)	139 (64.65)	
b) Part time	—	—	7 (4.07)	7 (3.02)	6 (4.26)	—	9 (36.00)	15 (8.72)	2 (3.08)	3 (42.86)	1 (5.56)	6 (6.67)	8 (3.02)	3 (21.43)	17 (7.91)	
Casual	10 (16.95)	1 (100.00)	46 (26.74)	57 (24.57)	111 (78.72)	2 (33.33)	13 (52.00)	126 (73.26)	26 (40.00)	—	—	26 (28.89)	147 (55.47)	3 (21.43)	59 (27.44)	
Total	59 (100.00)	1 (100.00)	172 (100.00)	232 (100.00)	141 (100.00)	6 (100.00)	25 (100.00)	172 (100.00)	65 (100.00)	7 (100.00)	18 (100.00)	90 (100.00)	265 (100.00)	14 (100.00)	215 (100.00)	

Table—18

## Employment in Sampled Enterprises By Tenure

Volume of Employment	1979—80			1980—81			1981—82			1982—83		
	Manu- facturing	Trade	Trans- port	Manu- facturing	Trade	Trans- port	Manu- facturing	Trade	Trans- port	Manu- facturing	Trade	Trans- port
<b>REGULAR</b>	8	2	5	15	6	29	53	44	8	77	129	118
a) Whole time	8	2	4	14	4	23	45	42	5	69	116	110
	(88.89)	(100.00)	(57.14)	(77.78)	(15.13)	(52.27)	(26.47)	(79.25)	(55.56)	(66.35)	(69.88)	(41.51)
b) Part time	—	—	1	1	—	6	8	2	3	8	13	8
			(14.29)	(5.55)		(13.64)	(4.71)	(3.77)	(33.33)	(7.69)	(7.83)	(3.02)
Casual	1	—	2	3	101	15	117	9	1	27	37	147
	(11.11)		(28.57)	(16.67)	(84.87)	(34.09)	(68.82)	(16.98)	(11.11)	(25.96)	(22.29)	(55.47)
Total	9	2	7	18	119	44	170	53	9	104	166	265
	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)

Table—19

## Employment in Sampled Enterprises By Educational Qualification

Educational Qualification	1979—80	1980—81	1981—82	1982—83
Below Graduate	18 (100.00)	159 (93.53)	129 (77.71)	440 (89.07)
Graduate	—	3 (1.76)	12 (7.23)	19 (3.85)
Above Graduate	—	—	—	1 (0.20)
Qualification not mentioned	—	3 (4.71)	25 (15.06)	34 (6.88)
Total	18 (100.00)	170 (100.00)	166 (100.00)	494 (100.00)

Table—20

Technical And Non-Technical Employment in Sampled Enterprises by District and Sector.

District/ Sector	1979—80			1980—81			1981—82			1982—83		
	T	NT	Total	T	NT	Total	T	NT	Total	T	NT	Total
<b>CALCUTTA</b>	—	—	—	17	18	35	32	71	103	146	86	232
			(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)
Manufacturing	—	—	—	—	—	—	2	13	15	49	10	59
							(6.25)	(18.31)	(14.56)	(33.56)	(11.63)	(25.43)
Trade	—	—	—	—	1	1	—	1	1	—	1	1
					(5.56)	(2.86)		(1.41)	(0.97)		(1.16)	(0.43)
Transport	—	—	—	17	17	34	30	57	87	97	75	172
			(100.00)	(100.00)	(94.44)	(97.14)	(93.75)	(80.28)	(84.47)	(66.44)	(87.21)	(74.14)
<b>BIRBHUM</b>	7	5	12	39	80	119	10	9	19	62	110	172
	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)
Manufacturing	5	—	5	37	73	110	8	2	10	55	86	141
	(71.44)		(41.67)	(94.88)	(91.25)	(92.44)	(80.00)	(22.22)	(52.63)	(88.71)	(78.18)	(81.98)
Trade	1	—	1	1	—	1	1	—	1	4	2	6
	(14.28)		(8.33)	(2.56)		(0.84)	(10.00)		(5.26)	(6.45)	(1.82)	(3.49)
Transport	1	5	6	1	7	8	1	7	8	3	22	25
	(14.28)	(100.00)	(50.00)	(2.56)	(8.75)	(6.72)	(10.00)	(77.78)	(42.11)	(4.84)	(20.00)	(14.55)
<b>COOCH-BEHAR</b>	3	3	6	4	12	16	15	29	44	37	53	90
	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)
Manufacturing	2	2	4	3	6	9	13	15	28	31	34	65
	(66.67)	(66.67)	(66.66)	(75.00)	(50.00)	(56.25)	(86.67)	(51.72)	(63.64)	(83.78)	(64.15)	(72.22)
Trade	—	1	1	—	5	5	—	7	7	—	7	7
		(33.33)	(16.67)		(41.67)	(31.25)		(24.14)	(15.91)		(13.21)	(7.78)
Transport	1	—	1	1	1	2	2	7	9	6	12	18
	(33.33)		(16.67)	(25.00)	(8.33)	(12.50)	(13.33)	(24.14)	(20.45)	(16.22)	(22.64)	(20.00)



Table—21  
Status of Bank Loan Repayment

Percentage of Loan Repay- ment	1979—80			1980—81			1981—82			1982—83		
	Mg	Tr	Tp	Mg	Tr	Tp	Mg	Tr	Tp	Mg	Tr	Tp
1	2.1	2.2	2.3	3.1	3.2	3.3	4.1	4.2	4.3	5.1	5.2	5.3
Up to 5%	—	—	4 (4.70)	—	—	1 (1.18)	2 (4.64)	—	4 (4.71)	2 (4.65)	—	3 (3.53)
6% to 10%	1 (2.33)	—	3 (3.52)	—	—	1 (1.18)	1 (2.33)	—	1 (1.18)	1 (2.33)	—	7 (8.24)
11% to 15%	—	—	—	—	—	—	1 (2.33)	—	2 (2.33)	3 (6.97)	1 (5.55)	3 (3.53)
16% to 20%	—	—	1 (1.18)	—	—	—	—	—	2 (2.33)	—	1 (5.55)	6 (7.05)
21% to 25%	—	—	—	—	—	1 (1.18)	—	—	1 (1.18)	1 (2.33)	—	4 (4.71)
26% to 30%	1 (2.33)	—	—	—	—	—	—	—	—	—	—	3 (3.53)
31% to 35%	—	—	1 (1.18)	—	1 (5.56)	—	—	—	2 (2.33)	1 (2.33)	—	2 (2.35)
36% to 40%	—	—	—	—	—	—	—	—	—	—	—	4 (4.71)
41% to 45%	—	—	1 (1.18)	—	—	—	—	1 (5.56)	—	1 (2.33)	—	—
46% to 50%	—	—	—	—	—	—	—	—	—	1 (2.33)	—	—
51% & above	1 (2.33)	1 (5.56)	1 (1.18)	1 (2.33)	—	—	—	1 (5.56)	1 (1.18)	1 (2.33)	5 (27.79)	3 (3.53)
Did not mention	40 (93.01)	17 (94.44)	74 (87.06)	42 (97.67)	17 (94.44)	82 (96.46)	39 (90.70)	16 (88.88)	72 (84.70)	32 (74.40)	11 (61.11)	50 (58.82)
Total	43 (100.00)	18 (100.00)	85 (100.00)	43 (100.00)	18 (100.00)	85 (100.00)	43 (100.00)	18 (100.00)	85 (100.00)	43 (100.00)	18 (100.00)	85 (100.00)



**Table--22**  
**Status of Margin Money Repayment**

Percentage of Repayment	1981—82										1982—83																										
	Calcutta					Birbhum					Cooch-Bihar					Calcutta					Birbhum					Cooch-Bel											
	Mg	Tr	Tp	Mg	Tr	Mg	Tr	Tp	Mg	Tr	Mg	Tr	Tp	Mg	Tr	Mg	Tr	Tp	Mg	Tr	Mg	Tr	Tp	Mg	Tr												
NIL	12	2	1	2	1	2	4	8	7	12	1	6	6	8	6	2	2	2	12	9	(100.00)	(100.00)	(1.43)	(12.50)	(14.29)	(33.33)	(26.67)	(88.89)	(77.78)	(100.00)	(50.00)	(8.57)	(50.00)	(85.71)	(33.33)	(80.00)	(100.00)
0%—5%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6%—10%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
11%—15%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
16%—20%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
21%—25%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
26%—30%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
31%—35%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
36%—40%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
41%—45%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
46%—50%	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
51% & above	—	—	—	—	—	—	1	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
							(6.67)																														
Did not mention	—	—	69	14	6	4	10	1	2	—	1	64	8	—	—	4	3	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
	—	—	(98.57)	(87.50)	(85.71)	(66.67)	(66.66)	(11.11)	(22.22)		(50.00)	(91.43)	(50.00)			(66.67)	(20.00)																				
Total	12	2	70	16	7	6	15	9	9	12	2	70	16	7	7	6	15	9	15	9	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	

Table—23  
Year-wise Distribution of Sample Entrepreneurs By Status of Loan Repayment and Percentage of Profit Earned On Investment

1979—80										
Percentage of Profit	Upto 10%	11% to 20%	21% to 30%	31% to 40%	41% to 50%	51% & above	Running under loss	Closed	Not men- tioned	Total
Percentage of Loan Repayment										
Upto 5%	2 (4.44)	—	—	—	—	—	—	—	2 (8.70)	4 (2.75)
6% to 10%	3 (6.67)	1 (4.00)	—	—	—	—	—	—	—	4 (2.75)
11% to 15%	—	—	—	—	—	—	—	—	—	—
16% to 20%	—	—	—	—	—	—	—	—	1 (4.35)	1 (0.68)
21% to 25%	—	—	—	—	—	—	—	—	—	—
26% to 30%	—	—	—	1 (20.00)	—	—	—	—	—	1 (0.68)
31% to 35%	1 (2.22)	—	—	—	—	—	—	—	—	1 (0.68)
36% to 40%	—	—	—	—	—	—	—	—	—	—
41% to 45%	—	—	—	—	—	—	—	—	—	—
46% to 50%	—	—	—	—	—	—	—	—	—	—
51% & above	—	—	—	—	—	—	2 (12.50)	—	1 (4.35)	3 (2.05)
Did not mention	39 (86.67)	24 (96.00)	10 (100.00)	4 (80.00)	2 (100.00)	8 (100.00)	14 (87.50)	12 (100.00)	19 (82.60)	132 (90.41)
Total	45 (100.00)	25 (100.00)	10 (100.00)	5 (100.00)	2 (100.00)	8 (100.00)	16 (100.00)	12 (100.00)	23 (100.00)	146 (100.00)

		1980-81									
Percentage of Profit		Upto 10%	11% to 20%	21% to 30%	31% to 40%	41% to 50%	51% & above	Running under loss	Closed	Not mentioned	Total
Percentage of Loan Repayment											
Upto 5%		1 (2.22)	—	—	—	—	—	—	—	—	1 (0.68)
6% to 10%		1 (2.22)	—	—	—	—	—	—	—	—	1 (0.68)
11% to 15%		—	—	—	—	—	—	—	—	—	—
16% to 20%		—	—	—	—	—	—	—	—	—	—
21% to 25%		—	—	—	—	—	—	—	—	1 (4.35)	1 (0.68)
26% to 30%		—	—	—	—	—	—	—	—	—	—
31% to 35%		—	—	1 (10.00)	—	—	—	—	—	—	1 (0.68)
36% to 40%		—	—	—	—	—	—	—	—	—	—
41% to 45%		—	—	—	—	—	—	—	—	—	—
46% to 50%		—	—	—	—	—	—	—	—	—	—
51% & above		—	—	—	—	—	—	—	—	1 (4.35)	1 (0.68)
Did not mention		43 (95.56)	25 (100.00)	9 (90.00)	5 (100.00)	2 (100.00)	8 (100.00)	16 (100.00)	12 (100.00)	21 (91.30)	141 (96.60)
Total		45 (100.00)	25 (100.00)	10 (100.00)	5 (100.00)	2 (100.00)	8 (100.00)	16 (100.00)	12 (100.00)	23 (100.00)	146 (100.00)

Table—23  
Yearwise Distribution of Sample Entrepreneurs By Status of Loan Repayment and Percentage of Profit Earned On Investment

1981—82										
Percentage of Profit	Upto 10%	11% to 20%	21% to 30%	31% to 40%	41% to 50%	51% & above	Running under loss	Closed	Not mentioned	Total
Percentage of Loan Repayment										
Upto 5%	1 (2.22)	2 (8.00)	—	1 (20.00)	—	—	2 (12.50)	—	—	6 (4.11)
6% to 10%	2 (4.45)	—	—	—	—	—	—	—	—	2 (1.37)
11% to 15%	1 (2.22)	—	1 (10.00)	—	—	—	—	—	1 (4.35)	3 (2.05)
16% to 20%	1 (2.22)	—	—	—	—	—	1 (6.25)	—	—	2 (1.37)
21% to 25%	—	1 (14.00)	—	—	—	—	—	—	—	1 (0.68)
26% to 30%	—	—	—	—	—	—	—	—	—	—
31% to 35%	2 (4.45)	—	—	—	—	—	—	—	—	2 (1.37)
36% to 40%	—	—	—	—	—	—	—	—	—	—
41% to 45%	—	—	1 (10.00)	—	—	—	—	—	—	1 (0.68)
46% to 50%	—	—	—	—	—	—	—	—	—	—
51% & above	—	—	—	—	—	2 (25.00)	—	—	—	2 (1.37)
Did not mention	38 (84.44)	22 (88.00)	8 (80.00)	4 (80.00)	2 (100.00)	6 (75.00)	13 (81.25)	12 (100.00)	22 (95.65)	127 (87.00)
Total	45 (100.00)	25 (100.00)	10 (100.00)	5 (100.00)	2 (100.00)	8 (100.00)	16 (100.00)	12 (100.00)	23 (100.00)	146 (100.00)

1982—83										
Percentage of Profit	Upto 10%	11% to 20%	21% to 30%	31% to 40%	41% to 50%	51% & above	Running under loss	Closed	Not men- tioned	Total
Percentage of Loan Repayment										
Upto 5%	1 (2.22)	1 (4.00)	1 (10.00)	—	—	—	2 (12.50)	—	—	5 (3.42)
6% to 10%	2 (4.44)	3 (12.00)	1 (10.00)	—	—	—	1 (6.25)	—	1 (4.35)	8 (5.48)
11% to 15%	2 (4.44)	1 (4.00)	2 (20.00)	—	—	2 (25.00)	—	—	—	7 (4.80)
16% to 20%	3 (6.67)	3 (12.00)	—	1 (20.00)	—	—	—	—	—	7 (4.80)
21% to 25%	1 (2.22)	1 (4.00)	1 (10.00)	—	—	—	—	—	2 (8.70)	5 (3.42)
26% to 30%	1 (2.22)	—	1 (10.00)	1 (20.00)	—	—	—	—	—	3 (2.05)
31% to 35%	2 (4.44)	1 (4.00)	—	—	—	—	—	—	—	3 (2.05)
36% to 40%	1 (2.22)	2 (8.00)	1 (10.00)	—	—	—	—	—	—	4 (2.74)
41% to 45%	1 (2.22)	—	—	—	—	—	—	—	—	1 (0.69)
46% to 50%	1 (2.22)	—	—	—	—	—	—	—	—	1 (0.69)
51% & above	2 (4.44)	1 (4.00)	1 (10.00)	—	—	2 (25.00)	—	1 (8.33)	2 (8.70)	9 (6.16)
Did not mention	28 (62.25)	12 (48.00)	2 (20.00)	3 (60.00)	2 (100.00)	4 (50.00)	13 (81.25)	11 (91.67)	18 (78.25)	93 (63.70)
Total	45 (100.00)	25 (100.00)	10 (100.00)	5 (100.00)	2 (100.00)	8 (100.00)	16 (100.00)	12 (100.00)	23 (100.00)	146 (100.00)

Table—24

Classification of Entrepreneurs According to nature of help that received from different sources at different stages of the project.

Source of help and Assistance	Number of Entrepreneurs			
	Calcutta	Birbhum	Coochbehar	Total
S. I. S. I.	8(9.52)	—	2(6.06)	10(6.85)
S. S. I.	3(3.57)	—	—	3(2.05)
E. I. O.	—	3(10.34)	8(24.24)	11(7.53)
D. I. O.	—	11(37.93)	13(39.40)	24(16.44)
B. D. O.	—	2(6.90)	1(3.03)	3(2.05)
W. B. F. C.	—	2(6.90)	—	2(1.37)
R. T. A.	58(69.06)	7(24.14)	6(18.18)	71(48.64)
Bank	7(8.33)	—	1(3.03)	8(5.48)
DYO/BYO	—	4(13.79)	2(6.06)	6(4.11)
Others	—	—	—	—
No Help	—	—	—	—
Did not Reply	8(9.52)	—	—	8(5.48)
<b>Total</b>	<b>84(100.00)</b>	<b>29(100.00)</b>	<b>33(100.00)</b>	<b>146(100.00)</b>

Table—25

Distribution of Closed Unit by Districts and Sectors.

Districts	Manufacturing		Trade		Transport	
	Total No. of Sampled Units	Number of Closed Units	Total No. of Sampled Units	Number of Closed Units	Total No. of Sampled Units	Number of Closed Units
Calcutta	12 (27.91)	—	2 (11.11)	—	70 (82.35)	1 (12.50)
Birbhum	16 (37.21)	1 (50.00)	7 (38.89)	2 (28.57)	6 (7.06)	3 (37.50)
Coochbehar	15 (34.88)	1 (50.00)	9 (50.00)	5 (71.43)	9 (10.59)	4 (50.00)
<b>Total</b>	<b>43 (100.00)</b>	<b>2 (100.00)</b>	<b>18 (100.00)</b>	<b>7 (100.00)</b>	<b>95 (100.00)</b>	<b>8 (100.00)</b>

Table—26

Amount of Capital Locked-up Bank Loan and Margin Money Non Repaid in Sampled Units.

District/ Sector	Number of Closed Units	Amount of Capital Locked up	Amount of Bank Loan Non-Repaid	Amount of Margin Money Non-Repaid	Number having prospects for Reopening
Calcutta	1 (5.88)	1,00,000.00	80,000.00	10,000.00	—
Birbhum	6 (35.29)	1,23,300.00	58,100.00	6,155.00	2 (100.00)
Coochbehar	10 (58.83)	33,000.00	63,908.00	3,947.00	—
<b>Total</b>	<b>17 (100.00)</b>	<b>2,56,300.00</b>	<b>2,02,008.00</b>	<b>20,102.00</b>	<b>2 (100.00)</b>



Table—27  
Distribution of Sick Units By District & Sector

District	Calcutta				Birbhum				Coochbehar			
Sector	Manufac- turing	Trade	Transport	Total	Manufac- turing	Trade	Transport	Total	Manufac- turing	Trade	Transport	Total
Number of Sampled Units	12	2	70	84	16	7	6	29	15	9	9	33
	(14.29)	(2.38)	(83.33)	(100.00)	(55.17)	(24.14)	(20.69)	(100.00)	(45.46)	(27.27)	(27.27)	(100.00)
Number Reported Sick.	4	—	14	18	1	—	—	1	2	1	—	3
	(22.22)	—	(77.78)	(100.00)	(100.00)	—	—	(100.00)	(66.67)	(33.33)	—	(100.00)
Average Annual Loss (Total) (in Rs.)	38,207.00	—	1,65,692.00	2,03,899.00	2,000.00	—	—	2,000.00	19,420.00	850.00	—	20,270.00)
	(18.74)	—	(81.26)	(100.00)	(100.00)	—	—	(100.00)	(95.81)	(4.19)	—	(100.00)
Number Likely to be Viable in Type	3	—	10	13	1	—	—	1	2	1	—	3
	(23.08)	—	(76.92)	(100.00)	(100.00)	—	—	(100.00)	(66.67)	(33.33)	—	(100.00)

Table—28

## Analysis of Loan Repayment By Year

( In Rs. lakhs. )					
Year	No. of Sampled branches.	Amount of Bank Loans advanced.	Amount of Bank Loans repaid.	% of Repayment	
1979—80	20	28.27	5.49	19.42	
1980—81	33	125.61	24.08	21.76	
1981—82	51	96.19	31.91	33.18	
1982—83	34	113.99	16.93	14.15	
Total		364.06	78.41	21.54	

Table—29

## Analysis of Loan Repayment by Banks

Sl. No.	Name of the Bank	No. of   Amount of Bank Loan (from 1979-80 to 1982-83)			
		Sampled	Advanced	Repaid	% of repayment
		Branches			
1.	Allahabad Bank	3	4,90,500.00	80,000.00	16.31
2.	State Bank of India	14	51,26,420.65	11,92,121.16	23.25
3.	Uttar Banga Khetriya Gramin Bank	2	35,235.00	1,323.06	3.75
4.	United Industrial Bank	1	2,12,000.00	17,000.00	8.02
5.	United Commercial Bank	14	1,06,91,926.59	35,80,441.48	33.49
6.	Central Bank of India	7	15,23,448.50	1,49,741.00	0.10
7.	Union Bank	1	2,07,000.00	25,140.00	12.14
8.	Mayurakshi Gramin Bank	2	35,741.00	15,037.66	42.07
9.	United Bank of India	26	83,36,598.68	23,85,219.54	28.61
10.	Bank of India	6	6,60,712.00	1,53,110.55	23.17
11.	Bank of Baroda	2	1,84,689.00	95,145.77	51.52
12.	Punjab National Bank	2	16,66,001.00	9,943.00	0.60
13.	W.B. Financial Corporation	2	67,62,000.00	—	—
14.	Indian Overseas Bank	1	52,812.75	1,670.17	3.16
15.	Indian Bank	1	2,86,000.00	98,000.00	34.27
16.	Oriental Bank of Commerce	1	1,35,143.12	36,672.72	27.13
TOTAL :		85	3,64,06,228.29	78,40,566.11	21.54

## APPENDIX

### Further Reflections on Status of Margin Money Repayment with reference to some old cases.

1.0 This addendum is based on information collected from 27 sample beneficiaries out of a total no. of additionally selected 30 old cases randomly drawn at the rate of 10 from the lists furnished by three major implementing departments, viz. Home (Transport), C & S S I and Youth Services. Time frame of such selection was a 3-year period from 1974-75 to 1976-77.

1.1 Sample beneficiaries were mostly educated as 96 p.c. of them were with qualification SF & above. 15 p.c. of them belonged to the category of scheduled castes. Their family income was found to vary between Rs. 10,000 and Rs. 29,000/- per annum. Average annual family income worked out to Rs. 19,000/-. These will be evident from Table—1 below.

Table—1

Sample Entrepreneurs by Community, income and qualification

	SC	ST	Others	Total	Educational Qualification				Total
					Upto SF	SF & HS	Gra- duate	Gra- duate & above	
No. of Samples	4	—	23	27		19			27
Percentage to total	15%	—	85%	100%	4%	70%	26%		100%
Average Annual Income	16,750/-	—	19,262/-	18,890/-	10,000/-	16,421/-	26,857/-	—	18,890/-

1.2 Table 2 highlights the status of Margin Money Repayment in relation to annual family income of the beneficiaries. It will appear that only beneficiaries belonging to Annual income group of Rs. 15001/- Rs. 20000/- repaid their margin money to some extent. Other income groups turned out to be 100 p.c. defaulters. The table thus reveals an absence of relationship between these two variables, viz. annual family income and p.c. of margin money repayment.

Table—2

**Distribution of Sample Entrepreneurs by Annual Family Income and  
Margin Money Repayment.**

Family Income	No. of Samples	P.C. of Margin Money Repayment			
		0—25	26—50	51—75	76—100
Upto 5000	—				
5001—10000	5				
10001—15000	4				
15001—20000	10				
20001—25000	4				
25001 & above	4				
Total	27				

1.3 Table 3 shows the status of margin money repayment on the date of enquiry by sectors of activity. Against a total receipt of Rs. 3.45 lakhs as margin money by 27 respondents only Rs. 0.53 lakhs were reportedly repaid on the date of enquiry. The p.c. of repayment thus came to 15.4. This act of repayment moreover was found concentrated in the transport sector alone where the p.c. of repayment was 51.

Table—3

**Status of Margin Money Repayment in respect of Sample Entrepreneurs by Sector.**

Sector	Sample	Total amount of Margin Money Received	Total amount repaid	Principal Interest	Total amount repaid	Total out- standing	P.C. of repay- ment
Transport	11	1,03,275	38,075	14,894	52,969	50,306	51.3
Trade (including service)	8	5,885	—	—	—	5,885	—
Manufacture	8	2,35,535	—	—	—	2,35,535	—
Total	27	3,44,695	38,075	14,894	52,969	—	15.4

1.4 An analysis of repayment status by cost of project has been attempted in Table—4. It was found that sample beneficiaries with investment of upto Rs. 25000/- in their project remained total defaulters in respect of margin money repayment. Similarly repayment position was also unsatisfactory for the group of Rs. 1 lakh or more. P.C. of repayment was satisfactory for the three groups in between these two extreme ends.

Table—4

Status of Margin Money Repayment in respect of sample entrepreneurs by cost of project.

Cost of project	Total no. of samples	Total Margin Money		P.C. of repayment
		Received	Repaid	
Upto 25000/-	11	11315	—	—
25000—50000/-	2	7420	5890	79%
50000—75000/-	3	15562	7299	47%
75000—100000/-	1	7980	5248	66%
Above 100000/-	10	302418	34532	11%
		344695	52969	15.4%

Table 5 delineates the relationship between p.c. of bank loan repayment and margin money repayment.

It is clear from the table that the sample entrepreneurs took greater interest in repayment of their bank loans. 25 sample beneficiaries out of 27 surveyed reportedly made full or partial repayment of their bank loans, while the no. was only 5 in respect of Margin Money repayment.

Table—5

#### Margin Money Repayment Vis-a-Vis Bank Loan Repayment

P.C. of Margin Money Repayment/P.C. of Bank Loan Repayment	No. of Sample Entrepreneurs				Repayment not made	Total
	Upto 25%	25—50	51—75	76—100		
Upto 25%				1	3	4
25%—50%					5	6
51%—75%					6	6
76%—100%					6	9
Repayment not made					2	2
Total					22	27

Finally, an attempt has been made in Table 6 to analyse the reasons for non-payment of margin money given by the sample respondents. It is seen that, of the total non-repayment cases (22 out of 27), about 50 p.c. (10) of the defaulting units were running as non-viable units or closed. Units with almost an identical percentage (12 out of 22) appeared to be wilfully negligent in paying the margin money for some reason or other. Details may be seen from the table below.

Table—6

Non-Repayment of Margin Money in due time by reasons.

Sl. No.	Reasons	No. of Cases
1.	Less of the enterprise	10
2.	Ignorance of the entrepreneur	1
3.	Hope of the margin money being written off by the Government.	1
4.	Time sought by the successor of the enterprise due to murder of the actual entrepreneur.	1
5.	Wilful non-response in payment.	9
	Total	22
No. of beneficiaries :—		
	(a) Non-Repayment	22
	(b) Paid of	5
	Total :	27

It is revealed from the foregoing analysis that the status of repayment of margin money in respect of old cases is very poor bairing, of course transport sector where some payment (51 p.c.) was found to have been made. Home (Transport) Directorate have taken steps against defaulting units by way of cancellation of fitness certificate, driving licence etc. which were effective and at the same time had contributed favourably in improving the status of repayment of margin money advanced for this sector.

---

---

P A R T — B

---

---





## AN ASSESSMENT OF THE MARGIN MONEY SCHEME UNDER THE ADDITIONAL EMPLOYMENT PROGRAMME

1. The Margin Money Scheme under the Additional Employment Programme has been continuing in the State since 1973. During the 3-year reference period from 1980-81 to 1982-83, the scheme succeeded in setting up about 2500 units spread all over the State and generating in this process employment of a little more than 15 thousand persons therein. Employment per unit works out to 6.1 persons against 5.7 persons calculated on the basis of results of our sample survey in three districts (vide para (1) of page 15-Part A of the Report). Sector wise distribution of units established and employment therein has assumed the following pattern.

P. C. distribution of Units Established and Employment Generated under  
Margin Money Scheme by Sectors of Activity during 1980-81 to 1982-83.

Sector	P.C. share of Units	P.C. share of Employment
Manufacturing	54.62	66.91
Transport	24.13	23.71
Trade	21.25	9.38
Total	100.00	100.00

The table shows that nearly 55 p.c. of the units set up under the scheme during the reference period in the State belong to the Manufacturing Sector having two-third share of the aggregate employment followed by Transport which has also about one-fourth share of both units and employment. Trade Sector Schemes come last having a nominal p.c. share of the aggregate employment. It has already been shown in Part-A of the report that the cost of generating unit employment was lowest in the Trade Sector compared to other two sectors and since it is possible to float small cost Trade Sector Schemes its importance from the point of view of optimising results in terms of spread of the programme perhaps cannot be lost sight of.

2. Units set up under the scheme offer a varied spectrum. The list produced in Part-A of the report in this regard is just illustrative and not exhaustive. This list has been enlarged through gathering data from the level of implementing departments and their district level units. Thus the varied type of units under the scheme include i) Auto-rickshaw, ii) Mini Truck & Bus, iii) Taxi & Luxury Taxi, iv) Truck, v) Bus, vi) Rice Mills, vii) Ghani for Processing Mustard Seed into oil, viii) Grocery & Stationary Shop, ix) Dairy Unit, x) Poultry Unit, xi) Goatery & Piggery Unit,

xii) Shop for Selling Agricultural Tractor and Fertiliser, xiii) Laundry, xiv) Tailoring Shop, xv) Readymade Garments, Hosiery Goods and Woolen Garment Shop, xvi) Shop for Selling Lottery Tickets, xvii) Book Stall, xviii) Xerox Copying Unit, xix) Pan-biri-cigarette Shop, xx) Broom Stick Processing & Basket Manufacturing Unit, xxi) Unit for Manufacturing & Selling Sports Goods, xxii) Unit for Manufacturing & Selling of Jewellery, Soap, Chanachur, xxiii) Small Scale Unit for Sawing of Wood, xxiv) Manufacturing Unit for Candle, Pen, Mosaic Tiles, Umbrella & Dolls, xxv) Mat, Coir & Rope Making Unit, xxvi) Unit for preparing Ayurvedic Medicine, xxvii) Manufacturing Unit for Fuel Injection Pumps & Tannery, xxviii) Manufacturing Unit for Bag, Packaging Cover and Metal Container, xxix) Unit for Colour Processing of Polythene Granules, xxx) Printing Press and xxxi) Unit for Processing Briquette Coal. It is therefore clear that varied range of economic activities has been getting encouragement from the Margin Money Scheme. The list, however, does not include certain common types like i) TV & Radio Servicing Unit, ii) Manufacturing Unit of TV Accessories iii) Biscuit Manufacturing Unit & Confectionary Shop, iv) Cycle Repairing Shop, v) Wayside Snack Bars, vi) Unit for Manufacturing & Selling of Electrical Equipment, vii) Fruit Processing Unit, viii) Unit for Preparing Pickles, Papads etc. It is, therefore, possible for the C & SSI Deptt. and Department of Youth Services with their expertise to identify areas for further extension of the net work of the programme.

3. The Programme is spread over all the districts of the State. The second & third columns of the table below indicate individual district's P.C. share to total achievement in terms of no. of units set up and employment generated during the reference year.

P.C. share of Districts To Total Achievement under the Margin Money Scheme during 1980-81—1982-83 and Their P.C. share to Total Registered Jobseekers in the State.

Sl. No.	Districts	P.C. share of Units set up	P.C. share to Total Employment	P.C. share of total registered jobseeker
1.	Burdwan	6.04 ( 6 )	9.98 ( 3 )	14.52 ( 2 )
2.	Birbhum	3.78 (12)	3.67 ( 9 )	2.86 (10)
3.	Bankura	4.35 ( 9 )	2.68 (14)	3.36 ( 9 )
4.	Calcutta	20.54 ( 1 )	18.59 ( 1 )	13.39 ( 3 )
5.	24 Parganas	9.22 ( 3 )	13.32 ( 2 )	19.62 ( 1 )
6.	Cooch Behar	5.44 (7)	3.20 (13)	2.39 (13)
7.	Darjeeling	6.12 ( 5 )	3.71 ( 8 )	1.83 (16)
8.	Howrah	4.91 ( 8 )	8.50 ( 5 )	5.03 ( 7 )
9.	Hooghly	4.07 (10)	5.72 ( 7 )	6.87 ( 5 )
10.	Jalpaiguri	11.56 ( 2 )	6.53 ( 6 )	2.10 (14)
11.	Murshidabad	3.26 (13)	3.37 (11)	5.61 ( 6 )
12.	Malda	2.86 (14)	1.99 (16)	2.08 (15)

Sl. No.	Districts	P.C. share of Units set up	P.C. share to Total Employment	P.C. share of total registered jobseeker
13.	Midnapore	9.18 ( 4 )	9.70 ( 4 )	10.21 ( 4 )
14.	Nadia	3.83 (11)	3.63 (10)	4.72 ( 8 )
15.	Purulia	2.70 (15)	3.26 (12)	2.72 (11)
16.	West Dinajpur	2.14 (16)	2.15 (15)	2.69 (12)
	Total	100.00	100.00	100.00

N. B. Figures in brackets indicate rank.

The table shows that Calcutta & 24 Parganas account for around 30 p.c. of the total achievement under the scheme. In these two districts 33 p.c. of the total registered jobseekers are also concentrated. Similarly 10 p.c. of the total employment under the Margin Money Scheme during the reference period has been generated in the district of Midnapore against concentration of identical percentage of registered jobseekers there. In fact the rank co-relation co-efficient calculated between the 'p.c. share to total employment' and 'the p.c. share to total registered jobseekers' for all the districts comes to 0.7. In other words, achievements under the scheme in individual district are fairly commensurate with the incidence of unemployment on them.

4. It is interesting to observe that when the Managers of Sample Bank Branches are individually approached to assess the Margin Money Scheme in their own way they significantly differ among themselves. One of the possible reasons for such divergence of opinion may be that their experiences with the working of the schemes are not uniform. In fact if districts are ranked in terms of two performance indicators viz. i) quantum of Margin Money disbursed and ii) No. of Units set up, Calcutta, 24 Parganas and Midnapore are found to occupy a very high position compared to lagging districts like Bankura, Malda, Birbhum and Purulia. However, the opinion of the Sample Bank Branches has been presented below in a classified form.

Performance of Margin Money Scheme under  
the Additional Employment Programme

Opinion	No. of Branches subscribing to the view	p. c. to total
Very Successful	2	2.36
Successful	12	14.12
Partially successful	49	57.65
Unsuccessful	18	21.18
Flop	3	3.53
Did not answer	1	1.18
Total	85	100.00

Thus 16 p.c. of the Branch Managers regard the scheme as totally successful. Another 58 p.c. though hesitant to consider it a total success nevertheless recognize its elements of success. One-fourth of the Branch Managers however state that it has failed. Branch Managers further admit that there are several weak areas of the scheme which must be attended to for ensuring its improved functioning in after years. First of all schemes submitted by entrepreneurs to them are mostly not properly drawn up. Entrepreneurs' lack of managerial ability, their lack of technical knowledge and experience in the line are factors to be reckoned with. In fact the success of the scheme very much depends on proper selection of entrepreneurs and for that purpose creation in the long run of a cadre of formally trained entrepreneurs. 32 p.c. of Branch Managers think that lack of honesty and integrity is also limiting the success of the scheme as this factor influences the status of repayment and so recycling of fund for reinvestment. Proper selection of entrepreneurs is very much necessary in the interest of efficient functioning of units and prompt repayment of loans. Other inhibiting factors as pointed out by Branch Managers are constraint of resources, services, financial bottlenecks and political interference. As regards political interference only 2.4 p.c. of the Branch Managers hold it responsible for the poor performance of the scheme.

5. It is therefore necessary to think of positive measures for floating and funding economically viable schemes. This will reduce the incidence of rejection of schemes, of sickness and closure of units and may improve the status of repayment via its favourable impact on profitability. Part A of the report gives various reasons of sickness and closure as identified by owners of sample enterprises (Para 5.4 ; P-22). Project Level Officers, namely, District Youth Officers, Regional Transport Officers and General Managers of District Industries' Centre, in assessing the phenomenon of closure within their jurisdiction also appear to have given the same set of reasons. These are i) lack of financial capital, ii) lack of technical know-how, iii) inefficient management, iv) deficient demand, v) quarrel among partners, vi) lack of marketing facilities. Some of the reasons have to do with entrepreneurial ability and his attitude to the scheme. In fact there are instances of closure of units by entrepreneurs after getting salaried job elsewhere. Obviously this kind of attitude is against the spirit of self employment. As regards demand deficiency it may be said that the scheme of Autorickshaw is reportedly failing in certain areas due to inability of the poor people to pay the fare for their day to day journeys. A unit therefore is to be necessarily backed by effective demand for sale of its product or services. Project Level Officers request the bank to extend financial and technical assistance to the Margin Money Assisted Units and they say that some units, within their jurisdiction, complain of shortage of raw-materials and lack of marketing facilities for their finished product. It is however not known to what extent these enterprise-specific problems are attended to and with what results excepting some formal requests to banks as stated above. One District Youth Officer frankly admits that they are not technically equipped to provide the entrepreneurs with the requisite help. In fact some of the Project Level

Officers of the sample district give the impression that regular and systematic monitoring of units are not being done at the district level. Many of them fail to give specific instances of closure within their jurisdiction and furnish data on frequency of closure. The discussion of the problem of closure and sickness made by most of them is of general type discussion and is not supported with facts and figures. But this does not mean that monitoring and progress review are not being done. For instance the C & SSI Department has a monitoring cell of its own at the Directorate Level and its officers at the district level physically visit the units. Progress of transport sector scheme is being assessed through periodical reports from the implementing officer and irritants with the bank, if developed are thrashed out through reference to State Level Bankers' Committee. Above all there is a State Level Margin Money Committee for co-ordination and control. Similarly progress of Schemes of the Department of Youth Services is being reviewed by their Director at the State Level and District Youth Officers at the district level. The existing arrangement however is not adequate and the feed back from the districts to the State headquarters, the linkage between the banks and Project Level Officer leave much to be desired. Representatives of the Implementing Departments emphasize the need for strengthening the technical apparatus at the district level for better appraisal & review of the AEP scheme. The Development and Planning Department being the nodal department may think over the matter and take it up with the implementing departments to work out a blue print of action in the matter.

6. As regards rejection, incidence of rejection at the present moment is rather high. Data collected from Sample Bank Branches may highlight the dimension of the problem.

No. of Schemes Received, Accepted, Rejected & No. on which  
loan advanced by Sample Bank Branches.

Year	Received	Accepted	Rejected	Loan Advanced	P.C. of Loan Advanced to Acceptance
1979-80	67 (100.00)	62 (92.54)	5 ( 7.46)	59	95.16
1980-81	240 (100.00)	219 (91.25)	21 ( 8.75)	189	86.30
1981-82	536 (100.00)	492 (91.79)	44 ( 8.21)	351	71.34
1982-83	505 (100.00)	393 (77.82)	112 (22.18)	204	51.91
TOTAL	1348 (100.00)	1166 (86.50)	182 (13.50)	803	68.87

The table shows that incidence of the rejection which was around 8 p.c. in three years from 1979-80 to 1980-81 suddenly jumped to 22 p.c. in the terminal year of the reference

period. Aggregate p.c. of rejection is 14 p.c. which means that for every seven schemes one is rejected. Moreover, there also exists a gap between acceptance and loan advancement on accepted cases as will be evident from col. 5 of table above. Further, time lag between submission of a scheme and its acceptance by the bank, as reported by the Project Level Officers sometimes take more than a year. All these are definitely retarding factors.

Breakdown of rejected cases by reasons of rejection is as follows.

**Analysis of Rejected Cases By Reasons**

Reasons	No. of Rejected Cases	P.C. to total
1. Schemes not economically viable	41	22.53
2. Failure of Entrepreneur to turn up at the subsequent stage.	112	61.54
3. Entrepreneurs' failure to furnish adequate security.	6	3.27
4. Entrepreneurs' failure to meet legal formalities	4	2.20
5. Reasons not stated	19	10.46
Total	182	100.00

It appears that in 60 p.c. of the cases, entrepreneurs are found to be not very enthusiastic in pursuing their schemes and 23 p.c. of cases, schemes have been rejected on grounds of non-viability. 75 p.c. of the Project Level Officers frankly admit that rejected schemes are mostly not economically viable. According to them other reasons for rejection are high cost of proposed schemes, inadequate technical know-how, inconvenient location of the proposed unit etc. One Project Level Officer points out that schemes on manufacturing units having intricate technicalities of production are being rejected by the banks. Another states that Auto-rickshaws & Contract Carriage Schemes with seating capacity not exceeding 16 are not being entertained by banks where the no. of beneficiaries is less than 5. At the State Level there is an awareness of the problem of rejection. In the past, high level discussion with the Bank Authorities under the Chairmanship of Departmental Minister was held on more than one occasion to discuss the issue. Difficulties in the matter of sanction of bank loan are sometimes thrashed out with reference to State Level Bankers' Committee for the transport Sector. But the fact remains that there is an absence of strong linkage between the Banks and the Implementing Departments alongwith their District Level Office. An authorised representative of an implementing department stated that banks dealing with the AEP cases make rejection and there is no system of reviewing the rejected cases for responsoring. Secondly, in the absence of communication, it so happens that sometimes banks sanction satisfactory number of cases, but departments fail to release matching amount of seed money. A spokesman of the Department of Home

(Transport) has highlighted this deficient aspect of the scheme. Thirdly, the banks/financial institutions finance 80 to 90 p.c. of the sanctioned money and their decisions are supreme with regard to selection of entrepreneurs. So if the implementing departments have no or little say in the matter of selection of entrepreneurs, they can easily deny the responsibility of bad selection. Formation of a technical committee with broad representations therefore may be thought of for review of progress, examination of rejected cases and appraisal of status of loan repayment. Needless to say that such a committee must be operationally distinct from State Level Bankers' Committee which deal with difficulties relating to transport sector schemes only or State Level Margin Money Committee for overall co-ordination and control. Again such a committee to be viable must receive adequate feed back from the monitoring cells at the district level to which a reference has already been made at para 3. Monitoring Cells at the same time should have linkages with the district Bank Branches. Apart from streamlining the implementing apparatus for improved performance of the programme, floating of viable schemes will be possible through systematic development of entrepreneurship in the State. A number of entrepreneurship development programme has already been organised by the State Govt. in collaboration with financial institutions and various input giving agencies. According to a report of the C & SSI Department more than 2000 entrepreneurs have been trained. Participation of trained entrepreneurs in the Margin Money Scheme may enhance the prospect for formulating economically viable scheme and obviate the risk of retreat by entrepreneurs after sanctioning of their schemes by banks. In fact an analysis of rejected cases by reason has revealed the presence of this element of retreat which is against the principle and spirit of self-employment. Some are reportedly leaving their enterprise after getting wage-employment elsewhere. These instances though nominal in number are disturbing. Moreover as genuine entrepreneurs are not averse to loan repayment, cases of wilful default will probably diminish. So induction of genuine entrepreneurs into the scheme is necessary.

7. Findings of sample survey show that 78 p.c. of the units set under the scheme were functioning at the time of spot-visit by Investigators. Later on data compiled from Project Level Offices in sample districts reveal that 771 units were reportedly functioning against 990 units set up. The p.c. of functioning units thus comes to 77.7. Against this back drop status of loan repayment both bank loan and margin money presents a dismal picture with worse situation prevailing in the margin money repayment sector. A sample checking of 27 old cases in and around Calcutta indicate that against a total receipt of 3.45 lakhs as margin money by these 27 entrepreneurs from 1974-75 to 1976-77, only 0.53 lakhs were reportedly paid on the date of enquiry. The p.c. of repayment thus comes to 15.4. Cross section data collected from six Project Level Offices show that aggregate of fund from these offices during 1979-80 to 1982-83 on account of margin money was Rs. 45.05 lakhs while inflow as repayment was only Rs. 2.18 lakhs, the p.c. being 4.84 only. Reasons for nonrepayment of bank loan as identified by Bank Managers and measures stated to have been taken,

have been given in Part-A of the report. As regards margin money non-repayment, both the Project Level Officers and representatives of the Implementing Departments have given their views. For instance according to one Regional Transport Officer, the financial capacity of selected entrepreneurs is so poor that they cannot stand against the initial loss in plying the vehicle on the road and once they become the defaulters of bank loan, the interest on the bank loan increases cumulatively and ultimately the total debt exceeds their repayment capacity. Secondly entrepreneurs selected during 1972-77 cannot be asked to repay margin money unless they repay the bank loan. The other two RTOs in discussing the issue do not bring the 'ability to pay' factor into the picture. They on the other hand blame entrepreneurs for their lack of seriousness in refunding the money, delay in repaying the bank loan and its consequent repercussion on repayment of margin money and absence of adequate penal provisions for the defaulters. One General Manager for the District Industries' Centre feels that there is a growing mentality amongst the entrepreneurs that Govt. money perhaps need not be refunded. He adds that loss which results in reduction of an entrepreneur's capacity to repay is to be traced into his inefficiency in managing the unit. The Department of Youth Services is however faced with a peculiar problem of its own. From 1973 to 1980-81, Nehru Yuba Kendra was in charge of the District Youth Offices. Nehru Yuba Kendras are Central Govt. establishments manned by Youth Co-ordinators. All the records for the said establishment are lying with them and this has created difficulties in dealing with the old cases. Authorised Representatives of the Implementing Departments in explaining the phenomenon have also linked 'profitability' to 'repayment'. Besides, according to them 'unwillingness to pay' factor operates coupled with liberal attitude of the Govt. towards the defaulters. The discussion above throws up three factors responsible for non-repayment viz. i) lack of profitability, ii) peculiar psychological disposition of entrepreneurs towards refund and iii) lack of adequate penal provisions to tackle defaulters. It may be that all the three factors are responsible for non-repayment or delayed payment but in the absence of adequate monitoring input, their relative strength cannot be determined. Moreover, survey results show that two-third of the units are running under profit and with a package of measures it is possible to reduce the incidence of sickness or closure. So both the factors unwillingness to pay and inability to pay are dispensable.

At the implementing level there is an awareness of the problem which manifests itself in measures already taken or proposed to be taken to tackle defaulters. A representative of the Cottage & Small Scale Industries Department says that they are contemplating to file certificate cases against the defaulting units and he thinks that follow up measures need to be geared up to ensure better realisation. One RTO reports that to deal with defaulting cases in the transport sector demand notices have been issued asking entrepreneurs to repay the margin money. Permanent permits are not being renewed or temporary permits are not being issued unless instalments of margin money are repaid. Certificate of Fitness is not being granted/renewed in



respect of vehicles purchased under AEP. According to the same officer, introduction of a system of full or partial remission of interest in respect of long pending cases provided repayment takes place in one instalment may yield tangible result. A representative of the Home ( Transport ) Department suggests that the extreme measure like suspension of the operation of vehicle on the failure of repayment may be taken recourse to for reversal of the current trend. The suggestions above are interesting and are borne out of practical experience of the situation. They however need discussion by some High Powered Body to sort out practicabilities of implementation.

8. The foregoing paragraphs written on the basis of the views of the officers of the implementing departments at the headquarters and district level delineate the strong and weak areas of the schemes. They bring out that the scheme despite its achievements has several weak elements which are to be removed for its improved performance in future.







---

*Printed At : S. K. ENTERPRISE 28, D. P. S. Road, C.I.T Market, Calcutta-33*

---